Daily Report

Near East & South Asia

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Daily Report
Near East & South Asia

FBIS-NES-96-135 *12 July 1996*

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Inter-Arab Affairs

Inter-Arab Affairs: Arab League Head Calls Netanyahu Speech 'Grave Defiance'

NC1107155596 Cairo Arab Republic of Egypt Radio Network in Arabic 1400 GMT 11 Jul 96

[FBIS Translated Text] The Arab League General Secretariat today criticized Israeli Prime Minister Binyamin Netanyahu's remarks to the U.S. Congress regarding Jerusalem. In his speech, Netanyahu alleged that Jerusalem will stay undivided as well as the eternal capital of Israel.

In a statement to a Cairo radio correspondent, Arab League Secretary General Dr. 'Ismat 'Abd-al-Majid said that Netanyahu's speech comes as a grave defiance to UN resolutions.

Islamic Affairs

Political Islam Review: AL-SHA'B 2 Jul

NC1107070096

[FBIS Report] The following is a comprehensive review of all items in the 2 July edition of the Cairo Arabic language newspaper AL-SHA'B that pertain to political Islamic issues.

CONTENTS:

1. 'Barbaric Assault' on Chief Editor, Reaction Reported
2. 'Heated Escalation' Expected With Netanyahu's Government
3. Al-Wasat Party Trial Hearing Reported
4. Muslim Brotherhood Guide Urges Self-Sufficiency, General Pardon, Dialogue
5. Writer Captures 'Rare Moment' in People's Lives
6. Editor Examines Regional Situation, Suggests Course

'BARBARIC ASSAULT' ON CHIEF EDITOR, REACTION REPORTED

The paper dedicates its front page, in addition to much of page 8, to the lead story: "The Barbaric Assault on AL-SHA'B's Editor in Chief."

The first page features 14 unattributed reports on the "barbaric assault" on Majdi Ahmad Husayn by "the hooligans of Interior Minister Hasan al-Alfi."

A 300-word report claims that the assault was "an attempt by the interior minister to stop the intensive campaign AL-SHA'B is launching against the policies of the minister and the excesses he and some of his family members are committing."

Relating the story of the assault, the report says that "seven heavily built individuals" riding in two cars sandwiched Husayn's car, dragged him out, beat him severely, broke his glasses, and stole a briefcase containing 7,000 pounds he planned to pay as a fine in a slander case involving the interior minister's son.

According to the report the assault "followed threats the chief editor received in the past few weeks after AL-SHA'B published reports and documented news on the excesses of the interior minister and his family members."

A 400-word report cites eyewitnesses on the assault. A 50-word report says that two cars were used in the assault, "one bearing an army officer's badge, while the other carried an Alexandria license plate." A 15-word report says Husayn's driver was also manhandled.

The first page also features the 600-word text of a statement issued by AL-SHA'B's chief editor in which he urges the president of the Republic "to intervene and investigate the excesses of the interior minister."

The statement says that AL-SHA'B "is launching a documented press campaign" against the interior minister.

A 100-word report says that Muslim Brotherhood Deputy General Guide Ma'mun al-Hudaybi denounced the assault on Majdi Husayn, viewing it as "a very serious precedent." Al-Hudaybi says he believes that "such very serious crimes can only be committed by influential people."

A 150-word report says that 'Ali Hashim, secretary general of the Press Association, lodged a report with the interior minister on the assault against Majdi Husayn. Hashim reported the assault to the Cairo security director, the Interior Ministry's Public Relations Department, and the State Security Investigations Department too. He stressed that the association will follow up on the developments of the "criminal incident."

A 20-word report cites Majdi Husayn after the assault as vowing: "No truce with corruption and no retreat, even if they kill me."

Page 3 features five reports supported with photographs on the same assault.

A 200-word statement signed by "AL-SHA'B journalists" says the perpetrators of the "sinful assault on AL-SHA'B's chief editor will not go unpunished...history will not let the criminals escape."

"Those who hid behind thugs and hooligans and arranged the assault to cover up their scandals and prevent the publication of their crimes of corruption should—if they have even a hint of shame—feel ashamed of their conduct after assaulting a peaceable and innocent man," the statement says.

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A 200-word report by Ahmad Mahjub says that citizens escorted Husayn to hospital after the assault and an unattributed 250-word report cites eyewitnesses on the assault.

A 50-word report says that the "medical report" prepared at Ahmad Mahir hospital showed that Husayn suffered from "bruises on the forehead, the back, and the right arm and a slipped disk."

A 50-word boxed announcement on the same page says that "AL-SHA'B editor in chief received a telephone call from an unidentified person at midnight the night before last, urging him not to leave his home, or else he would be killed or burned with caustic soda." A comment below the announcement says that the paper published a report on this threatening call on 18 June. It adds that "the Interior Ministry did not take any action to protect the chief editor."

'HEATED ESCALATION' EXPECTED WITH NETANYAHU'S GOVERNMENT

In A 2,500-word report on page 3 Mahmud Bakri says he expects the coming stage to witness "a more heated escalation" in the region as a result of the Netanyahu government's efforts "to enforce its electoral program on the ground, with all its expansionist ambitions and its provocation of more disturbances."

According to Bakri, during their recent talks in Israel, Netanyahu presented U.S. Secretary of State Warren Christopher with a project, which he described as "not negotiable." The project, "according to sources," involves the following points:

- Consolidating settlements on Israeli land "without exception" and stressing that this is a "primary goal not undermined or affected by peace with the Palestinians;"

- Expanding settlement in the West Bank, even in the areas under the Palestinian Authority's jurisdiction;

- Developing settlements to provide basic services and utilities, expanding the "capacity" of these settlements, and reclassifying their population. According to the project, the required finance can be provided by "cutting U.S. aid to Egypt, especially after it assumed positions that conflict with U.S. strategy;"

- Consolidating Israeli's national security on the basis of the "security-for-peace formula" and enhanced cooperation with the United States;

- Enhancing the Israeli deterrent, which entitles Israel to "eliminate" any Arab weapons that threaten its security "to maintain the strategic balance between Israel and Arab states;"

- Establishing regional military cooperation that involves "joint maneuvers with Arab states, in which Israel must be an active and basic party to all the security plans that seek to curb tension in the region and overcome a common enemy." The project also provides for "referring some Arab requests to purchase American weapons to Israel so that Arabs will buy Israeli-made weapons"; and,

- Expanding the circle of peace to include the Gulf and Arab Maghreb states, in addition to other Arab states that have no political or military disputes with Israel.

AL-WASAT PARTY TRIAL HEARING REPORTED

A 1,000-word report by Dawud Hasan, page 4, gives an account of the 29 June "military court hearing" of the "al-Wasat Muslim Brothers" case, which involves 13 Muslim Brothers and party founders.

The report says court listened to the statement of "one witness only" and that five of the six defense lawyers "were absent without giving an excuse."

The defendants submitted "medical reports" on their health conditions and the court listened to the statement of a State Security officer, the report says, adding that "the court broke into laughter" when the arresting officer said that "the organizational papers that were seized included one expressing Muslim Brotherhood willingness to run in the next municipal elections."

MUSLIM BROTHERHOOD GUIDE URGES SELF-SUFFICIENCY, GENERAL PARDON, DIALOGUE

Muslim Brotherhood General Guide Mustafa Mashhur, in a 2,000-word article on page 5, says the Arab summit was "a good step" that he hopes "will bring a lot of good" and that "caused concern to the Zionist enemy and America."

He stresses that conditions require "a complete plan" to consolidate unity, eliminate differences and replace them with understanding and cooperation, and achieve "self-sufficiency in food and weapons" to be able to "do without any foreign aid the enemies might use to put pressure on us and threaten us with cutting it." He urges Arab states to set up several committees to study the requirements of that challenge and calls for an Islamic summit to support the Arab summit.

Mashhur sees "clearly" that the peace the "enemy" is talking about "is peace and security for the Israelis alone" and that the United States "will not abandon the new Zionist government." He asks if Egypt and other Arab states are not entitled to own nuclear weapons

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while the "Zionist enemy" refuses to sign a treaty to relinquish these weapons.

Stating that the "Zionist enemy" has linked its policy with the Torah to enlist the support of all the Jews, he stresses that Arabs and Muslims should give the issue of Palestine a "religious nature." He urges Arabs to support the Palestinians, Syria, and Lebanon and not to leave them to fall "easy prey" to the "enemy," "even if this spells the abrogation of all the agreements concluded with them..."

Reminding Arabs that they are crossing "a dangerous bend" and that history is registering every positive step they take, he says the "people are fully prepared to stand fast with you and sacrifice money and soul for the sake of freedom, dignity, and independence and to liberate Palestine, Jerusalem, and the al-Aqsa Mosque."

He stresses the need for "aborting the enemy's scheme" to ally with Eritrea against Yemen, with Garang to separate south Sudan from its north, and with Turkey to get to Iran and turn Turkey against Syria, and notes "enemy" attempts to achieve economic domination of the region through the Middle East market.

Repeating that the Muslim Brothers appreciate President Mubarak's efforts to bring the Arabs together, he expresses the hope that "the reconciliatory spirit prevailing among Arabs will reflect on the homeland, particularly the Muslim Brothers, who are most loyal to the homeland." He stresses that the Muslim Brothers are not seeking power and that they believe Islam can solve every problem. He urges the president to initiate "a dialogue with us to rectify the picture that might be distorted," to stop the military trials, and issue a general pardon.

WRITER CAPTURES 'RARE MOMENT' IN PEOPLE'S LIVES

A 1,000-word article by al-Sayyid al-Ghadban on page 10 discusses "the rare moment in people's lives, when every heart fuses as one and every disagreement dissolves—the moment citizens feel the homeland is in danger or that someone is deliberately insulting it." The writer says he experienced this moment when an Arab summit was called in Cairo and the "early signs of a fierce American-Israeli campaign surfaced to intimidate Egypt, threatening to cut U.S. aid and stage an international boycott."

Al-Ghadban saw "the essence of the Egyptian fighter gleaming in the person of President Husni Mubarak, who received the threat with full confidence in the people, refusing to yield, and continuing to carry the trust efficiently, realizing Egypt's pan-Arab responsibility at this critical moment in history, when Israel was unleashing the beast of Nazi extremism."

He says: "America thought that the card that was U.S. aid was bound to make President Mubarak go back on his position and seek a theatrical end to the summit without viable resolutions," adding that "the position assumed by President Mubarak—the Egyptian fighter—embodied the stance of the Egyptian people, who refuse to yield to threats or to be a puppet in America's hand and whose decision is captive to no threat or gain."

The writer recalls Mubarak's "magnificent stance" the day he took office, when he released the opposition powers from jail and met them in the Republican Palace. He says he awaits "a wise and daring decision" from President Mubarak to release the Muslim Brothers and al-Wasat party founders who are on trial before the military courts. He stresses that such a decision is bound to "cement the pillars of the solid unity that rallies around President Mubarak and provides a shield against all the conspiracies being hatched against Egypt and Mubarak."

EDITOR EXAMINES REGIONAL SITUATION, SUGGESTS COURSE

Chief Editor Majdi Ahmad Husayn's 5,000-word article on page 2 sees the region "heading toward more polarization," toward two opposite camps, and expects "an increasing chance of confrontations in more than one spot."

"If Zionist tyranny is forced on us, we should prepare for confrontation without fear or retreat," he says, noting that the "reverberations" of the Arab summit are still being felt, primarily in the "change in the official Egyptian stance."

He says "the polarization process" continued during the "failed visit" U.S. Secretary of State Warren Christopher paid to Egypt and Israel, noting that in Israel he "sided completely with Netanyahu's wishes" and in Egypt he was "punished" by President Mubarak, who refused to hold a joint news conference.

"The Israeli Government tried to pull the Egyptian Government away from Arabs and their problems in return for economic temptation. But President Mubarak did not fall into the trap," Husayn says, explaining that Netanyahu wants to isolate Egypt from the Arabs so that he can "take care" of Syria, Lebanon, Palestine, and Iran alone. But the Egyptian Government realizes that this would isolate it further within its borders and undermine its dignity and interests, since Sudan is still targeted and Ethiopia has started to "play games" to undermine Egyptian security, he says.

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Husayn says he believes that Netanyahu "is like a man who mounted a tiger he can neither lead nor dismount." The tiger here is his "political and electoral program" that led him to victory by a slim majority, Husayn explains, adding that Netanyahu has formed "a highly fragile and disintegrated cabinet" and can only please the most extremist elements in this government or else "throw himself into Peres' embrace under a national coalition and thus trigger his political end." He notes that Netanyahu represents "the growing tendency to reject any concessions concerning the land," illustrating that by numerous "conflicting" statements on the Golan. He also says that Israel "has nothing more to give" and that Arab negotiators must realize this "bitter reality." He refers here to Israel's plans "to Judaize Jerusalem" and launch "a new spy satellite."

Husayn points out that Israel is urging the world "to punish Syria and throw a siege around it" and that Netanyahu is "eager to strike at Syria and burn Lebanon. But he is compelled to put this off until Arab sentiments pipe down or until he succeeds in isolating Egypt from the Arab arena."

Turning to the United States, Husayn argues that Clinton's administration is suffering "a dual crisis" represented in the "over-Judaization of the administration," which turned the "Zionist" lobby into "a ruling power," and the "critical months of the presidential elections" under a media campaign about "Clinton's fiscal and sex scandals."

Husayn says he believes Clinton has already "lost the election" through his and his wife's scandals, on the local level, and the fall of Peres and the collapse of the Middle East peace process, the fragility of the Bosnian settlement, and Yeltsin's possible defeat, on the foreign level. But he says Bob Dole's "lack of brightness" has served Clinton so far although this is no guarantee of his victory.

He says he expects six months of crises and polarization, which, according to him, "can help develop a national and pan-Arab stance proportionate with the Israeli-American challenges."

Discussing the implications of the explosion that targeted an American military barracks in Saudi Arabia, he states that the continuing U.S. and Western military presence in the Gulf "constitutes a direct threat to Iran and a heavy burden on the Gulf states and raises questions about plans that seek to dominate oil sources." He finds it natural for this presence to give rise to an opposition for national, pan-Arab, and Islamic reasons.

He concludes from published investigations that Saudi Arabia "now houses a very precise local secret organization with high technical expertise capable of gathering accurate data on the American presence and of carrying out its threats." He concludes also that it is "a cluster-like" organization and that if one of its cells falls it does not affect the other cells.

Asserting that "all Arabs and Muslims are eager to protect the security and safety of the Arabian Peninsula" and that "the Egyptian Army is there and can use all its resources to guarantee the security of the Kingdom and the remaining Gulf states," he stresses that "the U.S., French, and British troops must withdraw from the region in accordance with security arrangements that can be developed in cooperation with the Damascus Declaration signatories and others." He also stresses that "only the just settlements that observe the interests of all the parties, including the European, can restore stability to the Gulf and the entire Arab region."

Turning to the "positive developments" in the arena, he notes the "Welfare Party's success in forming a coalition with the secular True Path Party." He expects "foreign and local powers represented in the United States and the Turkish Army" to try to abort this coalition. But he says he believes that "suppressing the Islamic tide in Turkey is impossible," asserting that developments in the near future will be "in favor of the Turkish Islamic movement and, accordingly, the Arabs."

To Husayn, the second "positive development" is represented in "the Egyptian-Sudanese reconciliatory disposition," which, if developed, "will create a very serious reality." He notes that the "improvement" of Egyptian-Sudanese relations comes at a critical stage in view of the "Israeli penetration" of the southern front in Eritrea, Ethiopia, Uganda, and south Sudan.

Husayn sees an "internationally positive development involving every party trying to achieve real national independence in the political, economic, and military spheres." He sees a "diminishing U.S. influence" on China and "a European rebellion against U.S. domination." He says he believes that "the next Russian ruler will not settle unless he restores respect for Russia and resists U.S. hegemony." He also sees India "clearly turning into a world power independent of U.S. domination."

But the writer suggests that using these "favorable" world developments in our favor can be achieved by "a strong national will and a clear strategy."

Stating that Egypt "cannot rely on the Arab oral consensus," he stresses that it should consolidate ties with "Arab hawks, who alone are capable of standing up to the Israeli challenges in the near future." He explains that these "hawks" are Iraq, Syria, Libya, and Sudan, in

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addition to Iran and Turkey, as well as Saudi Arabia, "which assumes a position on normalization with the Zionist enemy."

He renews the emphasis on "rearranging the Egyptian household from the inside...to mobilize national energies."

Stressing that "democracy is not a luxury," but rather a means of consolidating popular involvement in facing up to outside challenges, he asks for "more."

He also stresses the need for "rejuvenating the political system entirely by expanding popular participation in the ruling process and purging Egypt of corruption."

He emphasizes here that the "Labor Party" will support any step that takes the country closer to these goals and will object to any step that takes the country away from them.

Political Islam Review: 'AQIDATI 2 Jul

NC0907181396

[FBIS Report] The following is a comprehensive review of all items in the 2 July edition of the Cairo Arabic language newspaper 'AQIDATI that pertain to political Islamic issues.

CONTENTS:

1. Writer Urges Control of Fatwas, Code of Honor for Press
2. Seminar Stresses Arab Rights in Jerusalem
3. Article Criticizes Binyamin Netanyahu's No's
4. Writer Notes West's Reaction to Turkish, Israeli Elections
5. Saudi Ulema Committee Denounces al-Khubar Explosion
6. Writer Urges International Effort Against Terrorism

WRITER URGES CONTROL OF FATWAS, CODE OF HONOR FOR PRESS

In a 300-word article on page 1, 'AQIDATI Board Chairman Samir Rajab says the Islamic nation is bedeviled by two kinds of people—those who issue fatwas without possessing the necessary qualifications and those who publish "false and misguided" ideas in some newspapers. He urges the Ministry of Awaqf and the al-Azhar Mosque to issue decisive decisions regulating those who are entitled to issue fatwas. He also urges the Press Association to issue a code of honor to which all journalists must adhere.

SEMINAR STRESSES ARAB RIGHTS IN JERUSALEM

On page 3, the newspaper publishes a 1,500-word report by Jamal Salim and Musa Hal on a recent seminar held at al-Azhar University in Cairo entitled "Jerusalem in the Islamic Creed and Arab History." Addressing the seminar, Shaykh of al-Azhar Dr. Muhammad Sayyid Tantawi said "Jerusalem is an Arab-Islamic city which must be restored by hook or by crook." He added that "right must be protected by might; otherwise, Israel's false claims will become false rights that it will try to impose on the international community." Al-Azhar University Rector Dr. Ahmad 'Umar Hashim said the "liberation" of Jerusalem is the "duty of every Muslim, be he a ruler or a subject." Cairo University Rector Dr. Mufid Shihab said "most UN resolutions support Arab rights in Jerusalem. But the U.S. veto has always challenged the consensus of the international community. This refutes the claims by the United States that it is a sponsor of peace in the Middle East."

ARTICLE CRITICIZES BINYAMIN NETANYAHU'S NO'S

A 300-word unsigned article on page 3 affirms the need to protect Jerusalem from the "encroachments by extremist Jews," encroachments that have increased with the coming to power of the Likud Bloc in Israel. It adds that Netanyahu's no's are an obstacle to peace and might derail the entire peace process in the Middle East. It asks whether Netanyahu knows that he will cause a fire in the Middle East, the first victim of which will be Israel.

WRITER NOTES WEST'S REACTION TO TURKISH, ISRAELI ELECTIONS

A 300-word column by Majdi Salim on page 10 says the Western world, the Turkish military establishment, and Israel are against the formation of a new Turkish government under the Islam-backed Welfare Party. All these forces have their own justifications and goals. The Western countries do not want an Islamic government on the pretext that Turkey will not meet the requirements for European security and will return to the days of the Ottoman Empire, which was then the leader of the Islamic world. Israel knows that an Islamic government in Turkey will reconsider the military agreement between Turkey and Israel and will disband their "undeclared alliance" against the Arabs in general and Syria and Iran in particular. The writer contrasts the West's attitude toward the outcome of the Turkish elections with its attitude toward the outcome of the Israeli elections. The West threatened and interfered directly against the will of the Turkish people who elected the Welfare Party. When the Israeli people chose

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extremism and elected Netanyahu the West welcomed this choice because it was the will of the Israeli people, even if it is against peace in the Middle East and the whole world.

SAUDI ULEMA COMMITTEE DENOUNCES AL-KHUBAR EXPLOSION

An unattributed 200-word report on page 21 says the Senior Ulema Committee in Saudi Arabia has denounced the 25 June truck-bomb explosion in al-Khubar, which "killed and wounded hundreds." The committee affirmed that this was a criminal act because it violated Islam's sanctities, including the sanctity of the soul, property, security, and stability. Without mentioning anywhere the United States or the U.S. servicemen who were killed in the attack, the report says the committee announced that it is not allowed to harm guests, let alone kill them in such an ugly and criminal way . The committee further says that Islam is innocent of this act, which was committed by a group with "a perverted thought and a misguided creed.

WRITER URGES INTERNATIONAL EFFORT AGAINST TERRORISM

A 400-word article by Chief Editor al-Sayyid 'Abd-al-Ra'uf on page 24 says terrorism is an attack on society, be it local, regional, or international society. Terrorism in the name of religion leads to racial and religious segregation that tears any society asunder. Therefore, national unity dictates that we confront terrorism with all our might. There is a need for concerted international efforts to fight terrorism and hunt down its groups. However, the problem is that there is a wrong diagnosis of what really constitutes terrorism with some countries equating those who are defending their rights with those who are aggressing against these rights. He notes that terrorism is caused by injustice in any society and the "grave imbalance" in the distribution of wealth in the world.

Political Islam Review: AL-NUR 3 Jul

NC1107194396

[FBIS Report] The following is a comprehensive review of all items in the 3 July edition of the Cairo Arabic language newspaper AL-NUR that pertain to political Islamic issues.

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1. Writer on Coptic Pope, Publication of Women's Pictures
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WRITER ON COPTIC POPE, PUBLICATION OF WOMEN'S PICTURES

The chairman of AL-NUR's board of directors, al-Hamzah Di'bis, writes an approximately 1000-word editorial on page 1. In the first part of the editorial he comments on Coptic Pope Shinudah. He says Pope Shinudah always likes to begin his talk with the phrase "In the name of the one God whom we all worship". With this, the writer adds, the pope "embarrasses the revered ulema who know as well as we do that our God and theirs is the same." After reciting Koranic verses, the writer remarks: "But they know and we know that we, the Muslims, alone worship this single God and that non-Muslims worship one different from ours. I have heard Pope Shinudah say our God and Savior is Jesus. So he worships Jesus and we do not."

After citing another Koranic verse, the writer says: "Therefore, we ask Pope Shinudah not to speak about the God we worship because we do not all worship the same God as he wants to publicize."

In the other part of his editorial, the writer criticizes Samir Rajab, chairman of the board of directors of Dar al-Tahrir publishing house which publishes the Islamic newspaper 'AQIDATI. The writer asks Rajab to "stop publishing pictures of semi-naked women in the Dar al-Tahrir publications."

AL-AZHAR SHAYKH SAYS JIHAD IS NECESSITY TO LIBERATE JERUSALEM

An unattributed 280-word, front-page report says: "Al-Azhar's Shaykh, Dr. Muhammad Sayyid Tantawi, has asserted that jihad is regarded as a necessity to liberate Jerusalem. He also asserted that it is the Islamic nation's duty to seek with all means to stop the current large-scale Judaization operations in East Jerusalem."

The report indicates that al-Azhar's shaykh said this at a seminar organized by al-Azhar University "last Saturday." He is quoted as saying that Jerusalem is a "crucial issue" for the Arab and Islamic nation and that "Palestine is a trust with us all and its entire soil must be liberated."

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He added: "The Islamic nation must defend its rights with all means, including martyrdom, so as to regain our legitimate rights."

The report says al-Azhar University President Ahmad 'Umar Hashim called for supporting Palestinian steadfast mujahidin to enable them to "retrieve the Muslims' legitimate rights."

ISLAMIC WORLD LEAGUE DENOUNCES ATTEMPTS TO TARNISH KORAN

A 190-word, front-page unattributed report says: "The Islamic World League has strongly denounced attempts by suspect Italian and German parties to tarnish the holy Koran." The report adds that "these suspect parties" had published in Toreno, Italy, a book containing 308 pages of the Koran with indecent pictures in it. The German television, the report continues, played a "lewd" song showing "naked women dancing as verses of the holy Koran appeared on the screen as if the female dancers were walking over these verses."

The report notes that "press sources in London have confirmed the involvement of secret Israeli hands seeking to destroy Islam's values and the Islamic nation's pillars." The Islamic World League has warned that this "criminal act" threatens to harm relations between Italy and Germany and the countries of the Islamic world, the report says.

ARAB COMMITTEE URGES SUPPORT FOR FRENCH MUSLIM INTELLECTUAL

A 220-word report on the front page, filed by Muhyi-al-Din Fathallah, says: "The Arab committee for the defense of the world Muslim intellectual Raja' Jarudi has called for supporting the great intellectual against a frenzied Zionist campaign." The report adds: "The committee denounced the Zionist media's terrorization of Jarudi as a punishment because he confronted the false historical, religious, and political allegations promoted by world Zionism."

The report continues: "The committee affirmed the full readiness of its members to defend Jarudi if the malicious plot to bring him to trial is implemented because of his bold views and efforts to refute the Jews' claims and historical fallacies."

The report says the committee urged Western media to "stop attacking Jarudi".

AL-AZHAR, SAUDI ULEMA REJECT FATWA ON MUSLIM WOMEN'S MARRIAGE

A 140-word report on the same page, filed by Mustafa Nasr, says: "The holy al-Azhar and the committee of senior ulema in Saudi Arabia have rejected a suspicious fatwa allowing Muslim women to marry Christians or Jews." The report adds that al-Azhar has "emphasized that the unequivocal Koranic injunction forbidding such a marriage needs no further proof." The report says that the Paris office of the Islamic World League has denounced a religious decree issued by head of the Paris mosque Dr. Abu-Bakr Dalil in this regard.

Members of the Saudi senior ulema's committee have called for paying attention to Islamic minorities abroad and enlightening them about the "dangers of breaching the tolerant shari'ah, especially in essential matters, such as marriage, donation of organs, and basic duties like prayer, fasting, and alms money."

MUSLIM INTELLECTUALS DENOUNCE AL-KHUBAR BLAST IN SAUDI ARABIA

An approximately 380-word front-page report by Khalid al-Shirbini says Muslim ulema have "emphasized their denunciation of the horrible incident that took place in the city of al-Khubar." The report adds that the ulema explained that Islam renounces those who commit these acts, which "spread corruption and terrorize peaceful people." The report quotes the vice chairman of the "state council", Dr. al-Bayyumi Muhammad al-Bayyumi, as saying that terrorism runs counter to Islamic shari'ah because the Islamic shari'ah "calls for preserving human lives and not shedding blood."

A former dean of the 'Ayn Shams University's arts college says the explosion in the city of al-Khubar is not considered resistance because the Saudi authorities are legal authorities. He adds that what happened falls in the context of sabotage and anarchy and that resistance to the U.S. presence should primarily be through dialogue.

SAUDI MINISTER ON ISLAMIC UNIVERSITIES, CURRICULA

AL-NUR's page 4 features an approximately 2700-word interview with Dr. 'Abdallah al-Turki, Saudi minister of religious affairs, call, and guidance, who is also chairman of the Islamic Universities League, conducted by 'Ali Sabir.

Answering the reporter's questions, the Saudi minister discusses wide ranging issues, such as the need to unify Islamic education curricula in schools and universities in the Islamic world, the use of conferences organized by the Islamic Universities League, the cultural effect of the diverse curricula of Islamic universities, and the league's role in giving sound Islamic guidance to the youth.

Answering a question about "charges that Islamic education is backward," he says Islamic teaching programs, like any other programs, are not void of remarks or

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shortcomings and that they need development and research.

Palestinian Affairs

Palestinian Affairs: 'Arafat, Others React to Netanyahu's Washington Remarks

JN1207090796 Jericho Voice of Palestine in Arabic 1112 GMT 11 Jul 96

['Adil al-Za'nun report from Gaza — live]

[FBIS Translated Text] Reacting to Israeli Prime Minister Binyamin Netanyahu's statement that Jerusalem is Israel's united capital, President Yasir 'Arafat stressed that Jerusalem is the eternal capital of Palestine. In his speech to the U.S. Congress, Netanyahu said Israel will not allow Jerusalem to be divided among Arabs and Jews.

The president returned home today from Morocco, which he visited yesterday. The president met with Moroccan King Hassan II. They discussed the Jerusalem issue and the future of the regional peace process in the light of the recent political developments.

On arrival at the Presidential Offices in Gaza today, 'Arafat said peace is not a Palestinian need only, but also an Israeli and international need.

'Arafat attended the OAU summit which was held on Monday [8 July] and Tuesday in Cameroon and delivered Palestine's speech to the conference.

'Abdallah Hurani, minister in charge of the refugees affairs, called for halting the Arab-Israeli normalization. He said the U.S. Administration has abandoned the role of mediator in the regional peace process. He stressed the need to review the form and substance of the Palestinian negotiating method and to mobilize the Palestinian self-action. Hurani added: There is a need to shape a united Arab position to confront the recent Israeli positions.

Salih 'Abd-al-'Al, secretary general of the Palestinian Islamic Front [al-jabhah al-islamiyah al-filastiniyah], said the U.S. position on Netanyahu's statement is considered total bias by the U.S. Administration against the Palestinian people's rights and stability in the region.

'Abd-al-'Al said the U.S. support for Netanyahu's plan to Judaize Jerusalem is provocative to the Arab and Muslim nations. The Palestinian Islamic Front secretary general urged Arab and Muslim countries to take appropriate measures to persuade the United States to retreat from these positions.

The Palestinian Islamic Front today stressed the need to bolster national unity through a clear official political position. It urged the Arab League and the Islamic World League to declare a clear position and to make Jerusalem a decisive issue in the Arab-U.S. relations.

'Abd-al-'Al underlined the need to confront the plan to Judaize Jerusalem.

Palestinian Affairs: Sha'th on Netanyahu—'Things Will Change'

BR1107114896 Milan CORRIERE DELLA SERA in Italian 11 Jul 96 p 7

[Report by "a.f.": "Bibi Will Get To Know Us and Things Will Change"]

[FBIS Translated Excerpt] Jerusalem — Perhaps to avoid the pitfall of having to make an immediate and embarrassing comment on the meeting between Clinton and Netanyahu, Palestinian President Yasir 'Arafat flew to Morocco to discuss the peace process with King Hassan.

Consequently, we put our microphones under the nose of his associates. The first reaction thus obtained provides some sparks of optimism.

"You have to be patient. Sooner or later Netanyahu will get to know us, and then things will change," Nabil Sha'th, Palestinian minister of planning and international cooperation, said to CORRIERE.

He has a positive personality and in moments of difficulty tries to look at life from the brightest side.

"Prime Minister Netanyahu is not on familiar terms with us. Therefore, a certain degree of distrust should be taken into account. Peres and the others were also cautious initially. The new prime minister is young, astute, and above all ambitious. You will see that sooner or later he will realize that the only way to proceed is that of a realistic dialogue with us. We have to remain calm. First, there will be the American elections, and then we will see," the Palestinian minister said, who was not at all impressed by the harshness (and clarity) of the statements made by Netanyahu and Clinton.

"There is nothing new in the statements made by the Israeli prime minister, only a higher amount of political arrogance," Palestinian deputy Hasan 'Asfur declared, showing less optimism than Sha'th. "Unfortunately, this policy line is supported by the U.S. Administration, and now everything becomes more difficult." [passage omitted]

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Palestinian Affairs: Speaker—'Disappointment' on U.S., Israeli Line

MM1107115296 London AL-HAYAH in Arabic 11 Jul 96 p 5

[Report by Husayn Hijazi: "Quray' Tells AL-HAYAH: Results of U.S.-Israeli Meeting Disappointing"]

[FBIS Translated Excerpt] Gaza — Palestinians yesterday expressed their disappointment at the results of Israeli Prime Minister Binyamin Netanyahu's visit to Washington and first meeting with President Bill Clinton, since it had been expected that Netanyahu would at least pledge to implement redeployment in Hebron or make changes to his political rhetoric.

Palestinian sources believe that Netanyahu is continuing to use the same escalation policy, which the sources describe as a deliberate attempt by Netanyahu to achieve two things: to get the other parties to adapt and adjust to his policy, or to provoke reactions to his policy with a view to gauging the effects of these reactions at this stage.

The Palestinian sources said that the Palestinian position "has been clear and conspicuous since the Cairo Arab summit. It refuses to adapt in any way to that policy." The sources said that there is now "an urgent need for the Arab world to deal with the new Israeli prime minister in a new way as of now, and a different policy should be adopted toward him. Because that man's main concern is to turn public opinion against Syria. And he is carrying with him a dossier containing accusations against the [Palestinian] National Authority of not complying with the agreements. The Palestinians and Arabs must learn the lesson and take the necessary political steps to cause the Israeli prime minister to accept the reality."

The Palestinian circles' disappointment is not limited to the stands announced in Washington by Netanyahu, who said that he would not be less generous than the Labor Party as regards expanding settlement. In fact the disappointment has extended to include the U.S. stand, which reflected clear weakness in expressing opposition to Netanyahu's hard-line stands, which are liable to destroy the peace process.

This position was expressed by Ahmad Quray' (Abu-'Ala'), speaker of the Palestinian Legislative Council, who told AL-HAYAH that "it had been hoped that the United States in its capacity as a sponsor of the peace process would exert pressure or express opposition to the totally unacceptable stands announced by Netanyahu. But what has happened is disappointing by any standards, because the meeting held in Washington was between a party to the peace process and one of the peace process' sponsors." Wondering and openly pinning the blame on the U.S. Administration's stand, Quray' said: "How can he (Netanyahu) be allowed to make radical changes to the concepts, frameworks, communication methods, and negotiations in such a manner, with Netanyahu unilaterally making decisions without any objection from the sponsor of the negotiations? And how can he be allowed to announce his position on the expansion of settlement in Washington without any U.S. response, the minimum expected from the peace process' sponsor?" Concluding, Quray' said: "Briefly, what we heard in Washington was disappointing, as though the rule now is security for peace, instead of land for peace, which means that the bullet of mercy has been fired at the peace process." [passage omitted]

Palestinian Affairs: 'Urayqat Blasts Netanyahu's Failure To Uphold Reciprocity

TA1107134096 Jerusalem Qol Yisra'el in Arabic 0930 GMT 11 Jul 96

[Report by Hasan Abu-Zayid]

[FBIS Translated Excerpt] [passage omitted] Dr. Sa'ib 'Urayqat, minister of local government, commented on Mr. Netanyahu's remarks in a statement to my colleague, 'Umar Zaydani:

[Begin 'Urayqat recording] Netanyahu is trying to determine the results of the negotiations before they begin, and he is trying to turn the negotiations into dictates, especially when he talks about Jerusalem and its fate and when he talks about settlement activity. I would like to stress that when he says that peace is incompatible with violence and terrorism, this is true, but he should realize that peace is also incompatible — and can never be compatible — with settlement activity. Furthermore, peace is incompatible with the illegitimate annexation of Jerusalem.

The issue is not one of only talking about peace. It would have been better for Netanyahu, who speaks about reciprocal implementation of the agreements, to realize that Palestinian Authority Chairman Yasir 'Arafat extended an official invitation to him saying that we, as the Palestinian side, are ready to sit immediately and discuss the reciprocal implementation of the agreements. We told them that there are many points in the agreements that have not been implemented yet. There are 33 Israeli obligations that have not been fulfilled, not only in Hebron.

We have said for some time that if Netanyahu wants the peace process to continue, he knows that there is a Palestinian address. That address is President Yasir 'Arafat, who said from the first moment of the Israeli

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elections that he respects the Israeli people's democratic choice. This statement, however, has not been officially reciprocated by Netanyahu's saying that he respects the Palestinian people's democratic choice. [end recording]

Palestinian Affairs: Quray'—Netanyahu Dealing 'Deadly Blow' to Peace Process

TA1107172996 Jerusalem Qol Yisra'el in Arabic 1430 GMT 11 Jul 96

[FBIS Translated Text] The speaker of the Palestinian Legislative Council [LC] held a news conference today in which he discussed the peace process, especially the Israeli-Palestinian track. Our correspondent Rajih Qaddur, who followed the proceedings of the LC session, reports on the news conference:

[Begin recording] [Qaddur] At the end of the special LC session which discussed the latest developments in the peace process — particularly on the Israeli-Palestinian track — in the wake of Israeli Prime Minister Binyamin Netanyahu's recent remarks, LC Speaker Ahmad Quray' held a news conference during which he said:

[Quray'] If the Israeli Government wants to kill the peace process, it should not hold the Palestinian side responsible. It must say with utmost courage that this process is against Israel's interests and that it does not want it. What is happening now is tantamount to dealing a deadly blow to this process. The violations in Jerusalem, the settlements, and the fact that the timetable of the agreements is not being met are all extremely grave matters. Furthermore, the failure to start and continue the permanent status talks is also an extremely grave matter.

[Qaddur] With regard to the U.S. stance on the peace process and Mr. Netanyahu's statements, the LC speaker said:

[Quray'] I do not want to say that there is a retreat, but it appears as though excessive affinity was shown toward the position Israel put forward during the visit. I am surprised that when the settlement issue was raised, the United States failed to assert that settlement activity is an obstacle to peace and must be halted. Moreover, as a sponsor of the peace process and a major international party and superpower, the United States should have called resolutely for adherence to the timetable and implementation of the interim agreement. It should have resolutely demanded the launch of the permanent status talks.

[Qaddur] Meanwhile, Quray' denied reports that the Palestinian side is seeking to open offices in East Jerusalem. With regard to the issue of reassessing the agreements signed between the Israeli and Palestinian sides, Abu-'Ala' [Ahmad Quray'] said:

[Quray'] I reiterate on my behalf, on behalf of my brothers, and on behalf of the Palestinian Authority [PA] and the PLO, which signed this agreement, that we are committed to it. We do not want to reassess the agreement. Israel is the one that wants to reassess and renegotiate certain articles of this agreement. We are committed to it and to its implementation in accordance with the timetable.

[Qaddur] In answer to our question about the possibility of a meeting between Prime Minister Binyamin Netanyahu and PA Chairman Yasir 'Arafat and whether such a meeting can be held only at Israel's initiative, Abu-'Ala' said:

[Quray'] To date, the Israeli foreign minister has referred to this. We believe that one of the extremely important ways in which the new Israeli Government can signal that it is ready to start or continue this process is a meeting at the level of the PA chairman and the Israeli prime minister. From the outset, we were surprised that the Israeli prime minister proposed meetings with Arab leaders but did not request a meeting with the PA chairman. Therefore, we will not refuse such a meeting, but we will not beg for it.

[Qaddur] The LC's recommendations will be presented tomorrow at a meeting of the Council of Ministers, the PLO Executive Committee, the Fatah Central Committee, and certain other Palestinian leaders in the presence of PA Chairman Yasir 'Arafat in Gaza. [end recording]

Palestinian Affairs: PLO Committee, Cabinet To Discuss Netanyahu's Statements

JN1207064396 Jericho Voice of Palestine in Arabic 0500 GMT 12 Jul 96

[FBIS Translated Text] President Yasir 'Arafat will chair a joint meeting of the PLO Executive Committee and the cabinet in Gaza today. The meeting will consider the latest political developments in light of statements made by Israeli Prime Minister Binyamin Netanyahu in Washington on the peace process and Jerusalem.

The president will brief the cabinet and the Executive Committee members on his African tour, the OAU summit resolutions, and the results of his talks with Moroccan King Hassan II.

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Palestinian Affairs: 'Ashrawi on Peace, Netanyahu, U.S. Stand

NC1207111296 Cairo Voice of the Arabs in Arabic 0510 GMT 12 Jul 96

[Telephone interview with Hanan 'Ashrawi, higher education minister in the Palestinian Authority, in Jerusalem, by Fayiz al-Miliji in Cairo; date not given—recorded]

[FBIS Translated Text] [Al-Miliji] The question being raised these days regarding the peace process, particularly the talks on the Palestinian track, is where do we stand?

['Ashrawi] Obviously, the peace process and the peace negotiations in general are in danger. There is an attempt by the new Israeli Government, specifically by Netanyahu, first, to torpedo the foundations and principles of the peace process and, second, to set preconditions. I believe that the peace process and the negotiating process have completely changed according to the Israeli definition and imposition of Israeli concepts and priorities. There are also practices on the ground that contradict the foundations and goals of this process, particularly regarding Jerusalem and the settlements. This means that we are being faced with difficult and hard challenges. In my view, these are substantive changes, let alone the repudiation of the land-for-peace principle, which is the basis of this process.

[Al-Miliji] As the Arab party rejects the changes that occurred to the new Israeli Government policy, led by Netanyahu, could you envision the peace process stopping despite all the steps that have been taken?

['Ashrawi] We do not want to stop the peace process. We are committed to a peace process that would lead to a fair and comprehensive peace. As the Arab summit in Cairo reiterated, the Arab party is committed to peace as long as the Israeli side is committed and implements the agreements and pledges. If a peace process is really sought, the agreements of the transitional stage must be implemented, including withdrawal from Hebron, redeployment of forces in the remaining areas B and C, providing a safe passage, and releasing detainees. We do not need to renogotiate these issues. These issues require immediate implementation.

[Al-Miliji] The White House has again stated that the United States maintains its support for the land-for-peace principle as a basis for the peace negotiations in the Middle East. As you know, the U.S. Administration is headed for elections. How do you view the U.S. role at this stage in light of Netanyahu's assumpion of power in Israel and the upcoming U.S. elections?

['Ashrawi] Clearly, there is indeed a contradiction between the U.S. stance on its role in the peace process and the land-for-peace formula and the stance of Netanyahu and the new Israeli Government. However, it is difficult and unrealistic to expect the United States to take a firm stance or put pressure on Israel at this time. However, this situation may not continue. After the elections, I think there will be a change but not one that will change the U.S. strategy.

[Al-Miliji] How do you explain the White House announcement that the United States maintains its support for the principle of land for peace as a basis for the negotiations?

['Ashrawi] This is verbal positive support and we encourage it. We want the United States to be committed to this principle. However, verbal support and actual practices are not the same. We believe that the United States is avoiding asking Israel about its violations. Attempts to put pressure on Israel are lacking. Also, the United States rejects any arbitration of the peace process. The land-for-peace principle must be the basis of the process and of the U.S. commitment. We want this to be applied in practice. When Netanyahu speaks of the settlements and expanding them, no U.S. official sought to emphasize that the settlements are illegal and unlawful and run counter to the peace process. The U.S. officials used to say that the sesttlements are an obstacle to the peace process.

[Al-Miliji] Perhaps this stance is because of the coming elections?

['Ashrawi] Of course election considerations impose themselves. The U.S. officials avoid entering a political confrontation with Israel to win the votes of the Jewish community and the lobby supportive of Israel and also the financial support for the election campaign. As I said before, this is a difficult time and we will not see an effective political U.S. will to intervene. However, this does not prevent us from seeing that this is a provocative stand and does not exempt us from the responsibilty to ask the cosponsors of the peace process about their stance on this issue and urge the European party to intervene effectively.

[Al-Miliji] What about the Palestinian stand on Jerusalem? Since his election campaign and assuming power, Netanyahu has reiterated that Jerusalem is the unified capital of Israel and cannot be divided or be another Berlin and so on and so forth. We would like you to explain the stance on Jerusalem?

['Ashrawi] The Palestinian stance does not call for dividing Jerusalem but demands the Palestinian rights in Jerusalem. We have repeatedly said that we are ready to

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share, despite the fact that this stand does not do us due justice. Netanyahu speaks in dogmatic, final, and absolute terms about Jerusalem whereas he seeks to give the impression that he continues dealing with the peace process. We have heard this language even from the Labor Party. Netanyahu and the Israeli governments, since the Labor Party was in power and the Likud earlier, adopted an unfair stance on Jerusalem. The attempts to achieve this goal are continuing—confiscation and seizure of land, dealing blows to the [Palestinian] establishments in Jerusalem, illegal legislations in Jerusalem to annex it and perpetuate this annexation, withdrawing the identity cards of the Palestinian residents of Jerusalem and expelling them, preventing Palestinians from building houses in Jerusalem or obtaining work permits and residence in Jerusalem, imposing heavy taxes on Palestinian residents of Jerusalem, and bringing settlers from abroad and giving them material and moral support to settle in Jerusalem. All these measures are an established and continuing policy. Even more steps are taken in this direction. The Israelis are building ring roads and isolating Jerusalem from its geographic and demographic surroundings, and continuing the siege on Jerusalem. The Palestinian members of the Palestinian Legislative Council who come from Jerusalem are attacked and attempts are made to close down any Palestinian activity in Jerusalem. This means that Israel is unilaterally trying to impose the results of the negotiations regarding Jerusalem. In my view, there must be an integrated Palestinian-Arab-Islamic-Christian stand on Jerusalem. The issue of Jerusalem is larger than a mere political or religious one. This is an issue that involves history, heritage, legal rights, and it has legal, national, political, and geographic dimensions. It must be clear to Arab public opinion, Arab leaders, and the international community that Israel has now reached a stage to obliterate the Palestinian, Arab, Islamic, and Christian existence and rights in Jerusalem and Judaize the city and distort its history, character, and civilization.

[Al-Miliji] Can there be a solution to the Middle East problem without returning Arab Jerusalem to Palestinian sovereignty?

['Ashrawi] Of course not, Jerusalem is the basis and the touchstone. By its stand, intransigence, and attempts to perpetuate annexation of Jerusalem, Israel will torpedo the peace process. I think that there can be no real and permanent peace with any Arab party or any party in the region if Israel persists in this policy on Jerusalem. Jerusalem is the core and the touchstone. This is the test if there is a possibility for a permanent and fair peace.

Palestinian Affairs: 'Breaking Point' Hit After Netanyahu Trip

MM1107161896 London AL-QUDS AL-'ARABI in Arabic 11 Jul 96 p 1

[Article by 'Abd-al-Bari 'Atwan: "Netanyahu's Successful Visit"]

[FBIS Translated Text] We thank God that Israeli Prime Minister Binyamin Netanyahu's visit to Washington has not affected his hard-line positions, and has not had any effect on his policies and his understanding of peace in the region, otherwise the "moderate" Arabs, who are looking for an excuse to shirk their responsibilities, would have considered the slightest sign on his side a great achievement, and would confirm their statements which, because of their fake rationale, stressed the need to give the man a chance, rather than judging him too quickly.

At the press conference held after the lengthy talks between the Israeli and U.S. leaders at the White House, Netanyahu looked as though he was the ruler of the United States, the world superpower, instead of Clinton who looked like the president of some obscure third world state asking for approval, hoping for crumbs of political and financial support, and hoping to be granted the status of "ally."

Netanyahu was strong, outspoken, sure of himself, did not falter, spoke the language of the country's people in a very aristocratic manner, and knew what he wanted, just as he knew who to stand beside. That is why he won the bout by a knockout in the first round, in preparation for confronting the flyweight Arab leaders who have been living in a state of fear from the first moment that the results of his election victory were announced, and who have been avoiding any confrontation.

President Clinton, on whom Arab officials had wagered that he would exert pressure on his Israeli guest to change his extremist policies, looked pallid and shaken, his voice sounded shaky, and he seemed intent on swallowing, while words seemed to fail him, like a small child facing a mighty and ruthless teacher.

Netanyahu's great achievement during his visit to Washington was to convince President Clinton, albeit temporarily, to adopt his view that Arab "terrorism" should top his priority list and approve the view of security first, and that negotiations should be without any preconditions. That is why he will return to the region with a broad U.S. mandate to chastise the Arab states which are shyly asking to adhere to the land-for-peace principle and are sheltering "terrorists" who are exercising the legitimate right of resistance to liberate their land. In his press conference, he openly said that the first issue that

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his government will deal with after his return is the issue of Hizballah and the Islamic Resistance Movement, Hamas.

The man is not keen on meeting with Palestinian President Yasir 'Arafat, his country's partner in the peace process, and has no intention of withdrawing from Hebron, so that — according to him — there is no repeat of the 1929 massacre of the city's Jews. He believes that going ahead with the settlements in "Judea, Samaria, and Gaza" is one of the key constants of his government's program, on which there is no going back.

In short, Netanyahu has destroyed the peace process, has even revoked the infamous Camp David agreement, and is now assured that he will not face any real opposition from any side, in the region or outside it.

The United States is now on the threshold of presidential elections. The Democrats' position under Clinton's leadership and because of the financial and sex scandals involving the president's wife, is extremely weak, and makes them desperate for the Jews' vote and influence. Fortunately for Netanyahu, 80 percent of U.S. Jews are more extremist than even the Likud, and it may be no exaggeration to say that the Israeli prime minister's position in the United States is better than the U.S. President's position.

As far as the Arabs are concerned, there is nothing to cause concern to Israel and its new leader. Most regimes are submissive, rejected by their people, steeped in corruption, and, at the recent broadened summit, failed to level a single word of criticism about his policy, and can only bully each other. Hence, Netanyahu is sure that they will adapt to his policies and yield to his conditions. In this, he is right, because they have always backtracked on their positions toward Israel. They rallied the whole world behind the idea that it [Israel] should ratify the nuclear Non-Proliferation Treaty then backtracked with the first threat that aid would be cut.

They stressed that Iraq should not be excluded from the broadened Arab summit, then held the summit without it, buckling under the first hint of Kuwaiti pressure. They said that they would review the normalization process and then, publicly and openly, contradicted themselves and stressed that it was a "peace summit."

In our modest view, anyone who wants to confront Israeli expansionism does not condemn fedayeen operations, and does not describe them as terrorism at the Sharm al-Shaykh summit. Anyone who wants to liberate the land does not remove the jihad clause from the resolution of Islamic summits and does not hunt down the resistance men to put them in jail on various accusations.

The theory that Netanyahu should be given a chance has proved to be a failure from the moment Ari'el Sharon joined his government and was given its third most important portfolio, and before the Israeli prime minister climbed the steps to his plane on his way to Washington. The question that remains is, what can the Arab leaders do to confront this open and clear challenge to the legitimacy of their existence?!

It is most likely that they will do nothing, and will await the results of President Mubarak's visit to Washington in the hope that it provides a face-saving solution, but the peoples will not wait. The situation has reached breaking point, and, this time, the intifadah may not be only in Palestine, and terrorism may not target Israel alone. The earthquake will come, and what happened in al-Khubar, and before that in Riyadh, the capital of the state which was always sheltered from acts of violence, could be a sign of worse to come; God only knows.

Palestinian Affairs: Radio Reviews Palestinian Reaction to Netanyahu

JN1007181596 Paris Radio Monte Carlo in Arabic 1600 GMT 10 Jul 96

[FBIS Translated Text] Palestinian officials expressed concern over Israeli Prime Minister Binyamin Netanyahu's stands. Sa'ib 'Urayqat, Palestinian minister of local government, said the Israeli prime minister speaks about peace in English and gives different instructions in Hebrew.

More details in the following report by radio reporter Faridah al-Shubashi:

[Begin al-Shubashi recording] Nasir al-Qudwah, Palestinian representative at the United Nations, said after Netanyahu's address at the U.S. Congress: Now that we have become aware of the Israeli Government's policies and stands, which were expressed by Netanyahu in Washington, the capital of Israel's strongest ally, it is time we gave our judgment, which is negative. Al-Qudwah was hinting at the frequent U.S. requests to Arab leaders not to pass quick judgment on the new Israeli prime minister. Al-Qudwah said: Netanyahu used unbelievable myths, such as the Jews alone have a right to Jerusalem and the right to build illegitimate settlements in the occupied Palestine, as well as his assertion that Israel is implementing Resolution 242. Concluding his statement, al-Qudwah said: We truly hope that the U.S. Administration will announce that its stands are different from these terrible stands.

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Faysal al-Husayni warned that the peace process will be destroyed if Jerusalem is excluded from the negotiations. Meanwhile, Sa'ib 'Urayqat, who said that the peace process is dying, expected the peace process to face new painful blows between now and the U.S. elections. 'Urayqat said that what threatens the peace process is not Netanyahu's failure to make a decision on withdrawal from Hebron or meeting Yasir 'Arafat, but also the issues of the movement of Palestinians between the West Bank and Gaza Strip, the release of Palestinian prisoners, and the gradual transfer of security responsibility to the Palestinian Forces in the West Bank areas which are still under Israeli control.

Justice Minister Furayh Abu-Middayn said: The Israeli prime minister must be held responsible for his stands because the region will witness unlimited violence if he insists on his policy.

Faysal al-Husayni, who was speaking about Israeli practices to Judaize Jerusalem and preventing West Bank Palestinian Muslims and Christians from entering it or even from praying in it on Fridays and Sundays over the past three years, said: Jerusalem is a red line that cannot be crossed, and excluding it from the negotiations means the destruction of the peace process. [end recording]

Palestinian Affairs: Quray'—Israeli Violations 'Can No Longer Be Tolerated'

JN1207065296 Jericho Voice of Palestine in Arabic 1300 GMT 11 Jul 96

[Report by Rashid Hilal]

[FBIS Translated Text] Ahmad Quray', [also known as] Abu-'Ala', speaker of the Palestinian Legislative Council [PLC], held a news conference today at the conclusion of this morning's final session held at the Education Ministry building in Ramallah to discuss continuous Israeli violations.

Abu-'Ala' said that the PLC discussed the serious developments in the peace process in general, particularly on the Israeli track, given that the Israeli violations have multiplied and can no longer be tolerated. He said that Israel is trying to cover up its violations by attempts to depict the Palestinian side as not being committed to agreements.

Quray' noted that the PLC members heard three Palestinian National Authority reports on these violations indicating that Israel practices two kinds of violations: violations of principles which were adopted during the peace process, the most important of which are the Israeli conditions for continuing the peace process, something which is categorically rejected by the Palestinians; and the issue of the detainees which clearly points to Israeli violations, given that 90 percent of Palestinian detainees are still in Israeli jails despite Israel's announcement that it would release them.

The PLC speaker reviewed other Israeli violations, such as redeployment in Hebron. He said that Israel's proposals are an attempt to deflect the agreement from its main course. He noted that Israel is carrying out other practices, particularly its serious actions in Jerusalem, and is increasing the pace of the settlement activity. He said: Israel cannot create new realities concerning these issues.

Concluding his news conference, Abu-'Ala' said that the PLC recommendations will be discussed tomorrow at the joint meeting of the PLO Executive Committee, the cabinet, and the speakers of the Palestine National Council and the PLC.

Palestinian Affairs: Jericho VOP Cites 'Political Transformation' in Israel's Language

JN1207092296 Jericho Voice of Palestine in Arabic 0520 GMT 12 Jul 96

["Morning Talk" commentary by Yusuf al-Qazzaz]

[FBIS Translated Excerpt] [passage omitted] In a demagogic demonstration at the U.S. Congress, Binyamin Netanyahu substituted the principles of peace with Israel's security first, Israel's security second, and Israel's security last, coupled with continuing settlement activity and the argument that Jerusalem is an Israeli city and the eternal capital of Israel.

This political transformation in Israel's political language will not ensure security for Israel even if the Israeli army is backed by the U.S. Army and all the world armies, including the army of the settlements. Only peace can ensure security for Israel and the entire region. A peace which is based on the freedom of two states: a Palestinian state whose capital will be Arab Jerusalem, occupied in 1967, and an Israeli state with the 1967 borders whose capital will be West Jerusalem, occupied in 1948. This is the peace argument.

The French and the Europeans say that Europe has returned to the region and its role in the peace process can no longer be ignored. Egypt and Jordan, the Arab countries which Netanyahu plans to visit, will brief him on the Arab stand on the peace process. President Yasir 'Arafat, the leader of the Palestinian people, has made it clear that Jerusalem is the eternal capital of Palestine and that there can no going back on establishing the Palestinian state.

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Peace is a Palestinian, Arab, and world demand. Peace is in danger. To protect this peace immediate action is required by all sides so that the Likud and its government would not return the region to the atmosphere of war. We, the Palestinians, will not go back, regardless of the consequences. We will defend our freedom, we will defend every single grain of our homeland's soil, the soil of our Palestinian state. We will defend the sanctities of the Palestinian Arabs, the brother Arabs, the Christian Arabs, and the Islamic holy shrines in our Jerusalem, our capital, no matter how Netanyahu leans on the U.S. weak points such as the upcoming presidential elections or the Congress members who are not really aware of their country's interests.

Peace begins from our country, Palestine. Peace on this earth begins from Jerusalem, the capital of the state of Palestine.

Good morning to you.

Palestinian Affairs: Al-Husayni Comments on Closing PA Jerusalem Institutions

TA1207104596 Tel Aviv IDF Radio in Hebrew 0400 GMT 12 Jul 96

[Telephone interview with Faysal al-Husayni, PA official in charge of Jerusalem affairs, by Ya'aqov Eylon and Mikhal Gazit; place not given — live]

[FBIS Translated Text] [Eylon] Good morning, Mr. al-Husayni.

[Al-Husayni] Good morning.

[Eylon] Mr. al-Husayni, although you have not received any official appointment on behalf of the Palestinian Authority [PA], Mr. David Bar-Ilan, Prime Minister Netanyahu's media adviser, says that you are clearly conducting political activities at Orient House. As you have probably heard, Mr. Bar-Ilan said that the battle for Jerusalem has already begun. What is your position on this?

[Al-Husayni] The Israeli side has definitely launched the battle for Jerusalem in contravention of the agreement.

[Eylon] Why is this in contravention of the agreement? David Bar-Ilan said that the agreement prohibits political activity at Orient House and other locations. He says that this is what the agreement stipulates and the PA is violating it.

[Al-Husayni] The agreement precludes political activity by the Palestinian government at offices in Jerusalem and specifies that the offices of the Palestinian government will operate from the autonomous areas. The activity that takes place at Orient House is not on behalf of the Palestinian Government. Orient House is where the offices of the Palestinian negotiating team are located. This team was nominated by the PLO and has nothing to do with the Palestinian government. We have been there all the time. This is nothing new.

[Eylon] What about the Palestinian Central Bureau of Statistics [PCBS], PA education ministry, and the mufti, who according to Bar-Ilan is not authorized by the agreement to act as the PA's representative but does so?

[Al-Husayni] Look, there are no PCBS offices in Jerusalem. I do not know what he is talking about. The Palestinian government does not maintain any education offices in Jerusalem. This is the office of the Waqf which has been there since 1967. I cannot understand why they are making it an issue of this now.

[Gazit] Mr. al-Husayni, Netanyahu's aides claim that they have sufficient legal evidence to ask the courts to close down these offices that you are not aware of.

[Al-Husayni] Look, if there is any truth to this let the Israeli authorities present a list. During the time of the Labor government, the authorities presented us with a list of places and we even closed down one of the offices ourselves before they made use of the list. I am saying that this is not true. If it is true, then let Israel present a list and state clearly where these offices are located.

[Eylon] And will you close down these offices if you are convinced that their activities contravene the agreement?

[Al-Husayni] Look, we are not doing anything that violates the agreement. If it turns out that we are doing something that contravenes the agreement we will discuss the matter. There are also a lot of violations against the agreement by the Israeli side. We will sit down together and each side, the Israelis and the Palestinians, will present their respective list of perceived violations. But neither party should presume to judge the other. I would like to say something. When Israel says that Jerusalem is not an issue for negotiations and that there will be no compromise and so forth, it is actually declaring that there is no peace and that it wants to return to the period of war. This is tantamount to declaring that there will be no peace with the Arabs, the Palestinians, or in the region. We have an agreement. We are holding talks. Negotiations are scheduled to be held on the permanent arrangement, and at these talks, the Jerusalem issue will head the agenda.

[Gazit] But on the other hand, 'Arafat said yesterday that Jerusalem is the eternal capital of Palestine.

[Al-Husayni] Yes, that is what he said. Netanyahu says the same. If we want to hold negotiations then each party can say whatever it wants; however, let us reach an agreement. I think we will eventually reach an agreement that will permit Jerusalem to remain an open city without a Berlin Wall [last two words in English] but with two capitals.

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Algeria

Algeria: Islamists Blamed for Killing 17 Communal Guards in Setif

LD1207102596 Paris Radio France International in French 1000 GMT 12 Jul 96

[FBIS Translated Text] In Algeria, 17 communal guards have been killed in an ambush near Setif, 300 km east of Algiers. The attack, which took place on 10 July, has been attributed to Islamist fundamentalists. The communal guard was set up to combat Islamist groups.

Although President Zeroual has suggested dialogue to opposition parties, some Islamist fundamentalists seem to have stepped up their attacks.

Egypt

Egypt: Mubarak Returns From Turkey, Chairs Expanded Meeting

NC1107175996 Cairo MENA in Arabic 1735 GMT 11 Jul 96

[FBIS Translated Excerpt] Cairo, 11 Jul (MENA)—Upon his return from Turkey this evening, President Husni Mubarak chaired an expanded meeting that was attended by Prime Minister Dr. Kamal al-Janzuri, People's Assembly Speaker Dr. Fathi Surur, Consultative Council Speaker Dr. Mustafa Kamal Hilmi, Deputy Prime Minister Dr. Yusuf Wali, Minister of Defense and War Production Field Marshal Husayn Tantawi, Information Minister Safwat al-Shartif, and Foreign Minister 'Amr Musa. [passage omitted]

Egypt: Cairo Accuses Sudan of 'Wasting Time' at Security Talks

MM1207105696 London AL-HAYAH in Arabic 12 Jul 96 p 5

[Report by Ashraf al-Faqiyy in Cairo: "Cairo Accuses Khartoum of 'Wasting Time and Not Being Serious'"]

[FBIS Translated Text] Egyptian political circles have accused Sudanese officials at the recent Khartoum security talks between an Egyptian security delegation and Sudanese security officials of "wasting time and not being serious."

An Egyptian official told AL-HAYAH that the Egyptian delegation's report to official quarters "revealed that the Sudanese side is not serious about answering Egyptian questions on its links with terrorism and the perpetrators of the June 1995 assassination attempt on President Husni Mubarak" in Addis Ababa.

The Egyptian security delegation has recently returned from Sudan following two days of talks which complemented the security talks held by Sudanese Interior Minister Brigadier Bakri Salih during his visit to Cairo with Sudanese President 'Umar Hasan al-Bashir's accompanying delegation to last month's Arab summit.

The source added that the report "revealed that the Sudanese side has backtracked on its pledges with regard to security cooperation, which will put Egypt in an embarrassing situation when the Security Council reviews the sanctions imposed on Sudan by virtue of Resolution 1054." The sanctions included scaling down diplomatic missions and restricting the movements of Sudanese diplomats.

However, the source stressed the Egyptian position that the sanctions should not harm the Sudanese people, stressed the issue of Sudan's unity and sovereignty, and said that this matter "is not up for discussion."

Egypt: Al-Baz on Netanyahu's Policy, Topical Issues

NC1107170796 Cairo ROSE AL-YUSUF in Arabic 8 Jul 96 pp 10, 11

[Report on an interview with Dr. Usamah al-Baz, Egyptian first Foreign Ministry under secretary and director of the President's Office for Political Affairs, by 'Abd-al-Sattar al-Tawilah and 'Adil Hammudah on 4 July; place not given]

[FBIS Translated Text] The Israeli Knesset has called the new prime minister the "Vague Netanyahu." This nickname came after Knesset Member David Ramon asked a surprising and sudden question. This question was: Who is Netanyahu? The amazing thing is that the Knesset agreed with the question and sought to find an answer.

Dr. Usamah al-Baz, the bright diplomat in the Egyptian policy kitchen, told us last Thursday [4 July] night: The whole world is still asking: Who is Netanyahu? It is still seeking the answer. Some Israeli and U.S. circles are saying: He is more a pragmatic person than a dogmatic one. By this, they mean that he is a practical person who acts according to facts and not theories.

According to Dr. al-Baz, Netanyahu is dreaming of remaining in power in Israel for two consecutive terms, which gives him a feeling of endurance, though it would be difficult for him to fulfill this dream as he destroys all the peace "lanterns." But, at the same time, he is arrogant. He is the first prime minister to be elected directly and is applying this arrogance to the Likudists themselves by boasting that the Labor Party won 34 seats while they won only 31 seats and that they would not be in power had it not been for him.

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This explains why Netanyahu has deprived the Likud of the most influential ministries and why his crisis with Sharon ended in his favor when he gave Sharon the new Infrastructure Ministry and not the Housing, Settlements, Finance, or Defense Ministries that he wanted. Adding this new ministry meant the disappearance of an existing one since the number of ministries in Israel cannot exceed 17.

The Americans and Europeans are suggesting to the Arabs that they give Netanyahu some time so as to test him in practice. But neither his electoral program nor his government program auger well. He has not withdrawn from Hebron and has not redeployed the Israeli forces in the "B" and "C" zones according to the agreement with the Palestinians.

Netanyahu has succeeded in conveying his remarks that there must be no preconditions for negotiations to the U.S. State Department officials, foremost among them U.S. Secretary of State Warren Christopher. This added to Egyptian diplomacy the burden of convincing Christopher that this was wrong.

[Al-Baz] When the United States sent invitations to the Madrid conference, it offered Syria and the Palestinians the land-for-peace principle. The former Israeli Government approved that principle. The same thing goes for resolution 242, which prohibits the seizing others' land by force. These are the basics of the peace process and not preconditions.

Preconditions mean additional conditions. It is Netanyahu in fact who is forcing additional conditions with the no's he is emphasizing.

[ROSE-AL-YUSUF] Till when will we sit still and wait for Netanyahu?

[Al-Baz] Netanyahu has three stopovers before he can declare a clear-cut and specific policy: Washington, which he will visit, talk to the Congress, and hold talks with the White House; he will then stop in Paris and listen to Chirac to understand the European Union viewpoint; then Cairo, where he will listen to President Mubarak and let us know what he has to offer.

[ROSE-AL-YUSUF] Will Netanyahu be like Rabin? Hardline Rabin came to Cairo when he was defense minister. President Mubarak talked to him so frankly that for him peace became inevitable. When he took power, he had already realized how difficult it was for the Israeli forces to maintain a state of permanent alert to confront a hostile Palestinian people. De Gaulle realized that before in Algeria, and so did Nixon in Vietnam.

Can Netanyahu understand what Rabin understood before?

[Al-Baz] We will do the impossible to achieve this.

[ROSE-AL-YUSUF] To sit and wait for Netanyahu does not mean that we will sit sulking and doing nothing. It is clear that President Mubarak's recent visit with Chirac was part of the efforts to prepare the theater and gather the necessary cards to put pressure on Netanyahu. Do we have other cards?

[Al-Baz] There are a number of positive considerations that should not be relinquished:

— At least 50 percent of the Israeli people support peace;

— The Cairo economic conference on cooperation in the Middle East. This cooperation cannot survive in a tense atmosphere; and,

— The international reaction that was demonstrated most recently by the Lyons summit (the G-7). It approved the land-for-peace principle.

If Netanyahu does not respond, we expect him to suffer from an international isolation that does not agree with his political ambitions or his desire to survive.

[ROSE-AL-YUSUF] Is a war possible between Egypt and Israel? Netanyahu is like Hitler, he can act irrationally and push the region into war. This is what you hear on the street in Egypt now. Moreover, some political currents, like the Muslim Brotherhood, say the same thing. They are urging the authority to declare a truce and ally with them for that war. What do you think?

[Al-Baz] There will be no war. No one wants or accepts war. If Netanyahu gets carried away in his haste, it is expected that more than one Arab "no" will emerge: No to negotiations, no to normalization, and no to regional cooperation.

[ROSE-AL-YUSUF] But the war between Egypt and Israel that Dr. al-Baz does not expect could break out between Israel and Syria, as some observers believe. The scenario arranged in Israel is to allege that Hizballah fired Katyushas on Israel (which can be fired by Israel's agents) from south Lebanon. This will be used as an excuse to send ground troops to Lebanon and strike at some Syrian forces. Observers expect Israel to implement this scenario in August or December of this year.

[Al-Baz] If this happens, Syria will withdraw completely from the peace process and terrorist operations will force themselves on Israel and the region more intensely than they do now. I also expect this to lead to a withdrawal of confidence from Netanyahu's government and the holding of new elections in Israel.

[ROSE-AL-YUSUF] Dr. al-Baz talked to us on the day Syrian Foreign Minister Faruq al-Shar' came to Cairo

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and said that "Iran has declared willingness to improve relations with Egypt". Syria had undertaken mediation to ease tension between Iran and Bahrain.

This is not the first time Iran has declared its desire to improve relations with Egypt. Neither will it be the last time; is that not so?

[Al-Baz] Yes, that's what they usually demand, later claiming that it was Egypt who demanded it. Every time they go back on their word with the excuse that a controversy has erupted between the moderates and hardliners and led to maintaining the status quo.

[ROSE-AL-YUSUF] We believe that on this issue, which involves and threatens Egyptian national security (because of the Iranian games with extremists), Iran should announce serious, actual, and concrete steps toward improving relations, instead of declaring a mere intention to do so. Besides, we don't know whether this intention on Iran's part is a sort of Iranian prudence [taqiyyah]. Moreover, Iran does not view interference in the Islamic countries internal affairs as such, because it believes that the Islamic world is one. This is our view; what is yours?

[Al-Baz] You are right. I remember a statement by 'Ali Khamene'i in a French newspaper, in which he said that interference in the affairs of Islamic states is not interference, since the Islamic world is one. He said that any Muslim who wants to interfere in Iran's affairs is welcome to do so.

[ROSE AL-YUSUF] But they are saying in Iran that we do not have one shred of evidence that Iran is backing terrorism?

[Al-Baz] We have more than one shred of evidence and we will make them public at the right time. At the same time, when we tell the Iranians this and present evidence and proof they say that these actions were carried out by non-government organizations or circles for which they are not responsible. This is deception and just beating around the bush.

[ROSE AL-YUSUF] Then we need serious, practical, and concrete steps on Iran's part and not just mediations, statements, etc. We believe the same rule applies to Sudan, does it not?

[Al-Baz] There are now 15,000 extremists in Sudan and they do not know what to do with them. Meetings at high security levels have begun between the two countries (Egypt and Sudan) following the meeting of Presidents Mubarak and al-Bashir during the Arab summit. But all the information provided by the Sudanese is general and does not have the wanted details. This means that the desire to prevaricate remains greater than the desire to cooperate.

[ROSE AL-YUSUF] Why has al-Bashir insisted on meeting Mubarak?

[Al-Baz] There is talk about splits in the Armed Forces which are increasing as a result of al-Turabi's control of all power in Sudan. There is also a split inside the Islamic Front itself. There is a strong movement in Sudan which says: Why should we care about what the Islamists and al-Turabi are doing? We want to live, especially as prices have gotten out of control and become unbearable. It is enough to mention that a liter of gasoline rose from 18 pounds when al-Bashir and al-Turabi came to power to 2,400 pounds now. Some in Sudan are now even saying that they accept the secession of the south in order to appease the West. We are against the secession of the south and against punishing Sudan so that the Sudanese people will not suffer more from the hunger they are already suffering from. We have also noticed that the countries on which the sanctions are applied are Arab ones: Libya, Iraq, and Sudan. This is very harmful to the Arabs.

In any case, we are not diverting our eyes from the Sudanese people because this is our strategic depth and natural extension. No one dares to say the opposite.

Sudan

Sudan: Rights Group Denounces Government Use of Cluster Bombs

AB1107082596 London BBC World Service in English 1505 GMT 10 Jul 96

[From the "Focus on Africa" program]

[FBIS Transcribed Text] A Swiss Christian human rights group has launched new allegations of serious human rights violations by the Islamic Government of Sudan in Khartoum. Christian Solidarity International, CSI, has frequently condemned the Khartoum government for its alleged atrocities in the civil war in the south of the country. Now a CSI official, Gonal Vilback, has just returned to Nairobi from southern Sudan and has accused the Sudan Government of using internationally outlawed cluster bombs in air raids on civilian targets near Chukudum close to the Kenyan border. On the line to Nairobi, Robin White asked Gonal Vilback what evidence he had seen of cluster bombs at Chukudum:

[Begin recording] [Vilback] When we arrived in Chukudum, we were led by the local priest, Father Morris of the Roman Catholic Church, to a little plot behind the church, and there we saw on the ground many of little bomblets strewn around, unexploded,

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and we were told that from time to time one of them would go off at night or daytime, at random. The last one went off on Sunday [7 July] but we were there on Monday, two days ago, and 300 meters away from this church is a school fully operating with 475 school children and they are, of course, in mortal danger at the moment with all these bomblets lying around.

[White] When was the bomb dropped?

[Vilback] The bomb was dropped on the 17th of June this year.

[White] And it is just lying there.

[Vilback] Well, the big shell is lying there, and the bomblets are also lying there and, as I said, from time to time one goes off and nobody, I think, of the international community so far has approached Chukudum, has been there, has had a look. I don't know why, but we were apparently the first ones to go there and check out what actually happened, and we were daring enough to list up these little bomblets. We knew they could go off at any moment, but we wanted to present evidence to the world community that Khartoum is using cluster bombs, and we took closeup pictures of these bomblets.

[White] And if one of these little bomblets went off, ho[illegible]much damage would it cause to a person?

[Vilback] Well, you wouldn't be talking to me now, Robin, that is for sure.

[White] And, presumably, the local people are cleared well out of the way.

[Vilback] This is a terrible thing. They don't really know what this is, and I fear the [word indistinct] now because the children went with us to this field, and they stepped around there and also some of the elder people, and I feel that if experts do not come immediately to the rescue of these people, we will have very heavy casualties soon in Chukudum because hundreds of these bomblets have contaminated the village.

[White] So what are you doing about it? Are you trying to get an expert in there?

[Vilback] Well, I am just appealing to the international community to send experts. They have to clear it away and especially to appeal to Khartoum to stop throwing such fatal and heinous weapons.

[White] Presumably, you need an expert to go there jolly quickly.

[Vilback, laughing] I think you're right, Robin, because this is really a time bomb in the village. It is a beautiful cathedral there. It's not one of these little bush churches but a very large cathedral and the churchgoers now put themselves at risk when they visit this church. They are still going but the whole thing is very, very explosive indeed.

[White] Can't your organization or the church afford to hire someone to go and do something about it?

[Vilback] Well, I don't see at the moment how because this is very expensive. You need to hire an aircraft. You probably need protective clothing; you need also some special equipment, and there are demands of that nature in other parts of the world too. Think only of (Nagonokaraba), of such places. [end recording]

Sudan: Embassy in Nariobi Denies Government Used Cluster Bombs

EA1107192096 Khartoum SUNA in English 1736 GMT 11 Jul 96

[FBIS Transcribed Text] Nairobi, Jul 11 (SUNA) — Sudan Embassy in Nairobi has strongly denied the use of cluster bombs by the Armed Forces against an circle in country.

It added that Sudan condemned the use of internationally-banned bombs against innocent civilians and rebel movement elements.

'Ali al-Sadig, advisor at Sudan Embassy in Nairobi, commenting on allegations of using cluster bombs by the Sudan Armed Forces against Chakdom area in southern Sudan, he said that the Sudanese Armed Forces do not have these kinds of bombs, adding that what was reviewed by the Christian International Solidarity Organization gave no evidence or pictures of these things in Chakdom and its source would be the outlaws movement itself, saying that the organization could bring them from any place in the world. He also pointed out that the silence by the organization for a month raised about and strengthened possibilities of fabrication against Sudan, asking why not hold the conference in the same period if the matter was very dangerous? He said that it is the first time for disclosing remains of cluster bombs in the area because there are daily flights from Chakdom to Luku Choku area. [sentence as received]

He affirmed that no civilains at Chakdom area because the was a large camp held by rebel Garang faction, saying that the allegation of civilians and refugees in the region was unfounded. [sentence as received] He said that the Christian Solidarity International Organization had come to southern Sudan not to help citizens, but for supporting the rebel movement in different ways, adding that the few humanitarian activity conducted by organization there was a cover of its other activities and it has nothing to do with relief work.

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Baroness Cox, member of the British House of Lords, was sponsoring the organization and she was known for her apparent enmity to SUNA, Islam and the Third World countries, he added. He said that Cox has visited Sudan twice behind the back of the Sudanese authorities, adding that the organization had adopted a campaign against Sudan and circulated allegations on cholera disease and slavery trade in Sudan.

Sudan: Sudanese Opposition Reportedly Attacks Bridges, Roads

EA1107164396 Asmara Voice of the Broad Masses of Eritrea in Tigrinya 0930 GMT 11 Jul 96

[FBIS Translated Text] The Sudanese opposition (?group) called the Sudanese National Democratic Alliance [NDA] in attacks it carried out during the past three days, destroyed three bridges that link the town of Port Sudan with the city of Khartoum, it has been stated.

A similar attack carried out by the Beja Congress Engineering Unit, which is a member organization of the NDA damaged the road that links the towns of Kesela, in western Sudan, and Port Sudan. Two Sudanese soldiers were killed during the attack. [passage indistinct]

The Beja Congress attack was carried out to avenge the killings and arrests of compatriots by the Sudanese Government, it was disclosed.

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Bahrain

Bahrain: Opposition Reports on Recent Regime 'Atrocities'

JN1107112596 (Internet) Voice of Bahrain WWW in English 10 Jul 96

[FBIS Transcribed Text] Yesterday's prison sentences passed on nine innocent citizens has caused further outrage amongst the people, but are unlikely to hinder the peaceful uprising demanding the reinstatement of the Constitution. The notorious State Security Court (SSC), usually presided over by either one of the Al Khalifah members or an Egyptian judge, sentenced nine Bahrainis to three to five years on charges of distributing leaflets, and planting an incendiary device. Four other Bahrainis received three-year jail terms for printing and distributing leaflets containing false news, according to a governmental official. One of those sentenced is Shaykh Yasin Siwar, who had been in detention since February 1995! He has been accused of printing copies of Bahrain's Constitution, which the Government considered it to be one of the leaflets containing false news. To the Al Khalifah, any reference to the country's Constitution is prohibited and is considered an act of sabotage punishable with harsh jail terms. The defendants have no right of appeal against the SSC judgements, which often come from "higher authorities".

Last week the court ordered the execution of three Bahrainis after falsely accusing them of starting a fire that allegedly killed seven Bangladeshis. There is a mounting evidence to the contrary of the charges, which the court did not allow to be presented in the proceedings.

Meanwhile, the towns of Karzakkan, al-Malikiyah and Dumistan, ten miles to the Southwest of Manama, remained cordoned off following massive demonstrations in the last three days. Nothing is known of what is going on inside, and it is presumed that savage attacks on people and property were being waged. Last year several towns were ransacked by the foreign-staffed riot police, who stole television sets, video recorders, jewellery and money from hundreds of homes. The Amir has refused to put an end to these acts of barbarism.

It has also been reported that "death squads" belonging to the Bahrain's Defence Force (BDF), are in active operations in several towns and villages. They are identified by their track-suit uniform and jogging shoes, and their pistols and machine-guns. They are thought to be responsible for the bombing of a house in Sanabis last march in which three members of one family died. They also shot a 17-year old boy, 'Ali Tahir, in Sitrah last week. It is feared they are committing grave atrocities in the towns of Karzakkan, al-Malikiyah and Dumistan.

At the same time, the British officer, Ian Henderson, gave the green-light for the use of the al-Khamis detention centre for the practice of extreme forms of torture especially against young boys. It has now been established that, under the command of Khalid al-Wazzan, many teenagers have been raped by Pakistanis especially brought to commit indecent assaults on young boys. One of the rapists is a strongly-built 30-years old Muhammad Sa'id, who is well-known to his victims. There are authenticated testimonies that Khalid al Wazzan had supervised interrogation sessions during which he ordered the rapist to assault young boys. A year ago to the day, Sa'id al-Iskafiy died whilst in detention, and Khalid al-Wazzan was accused of indecent assault on the victim.

At the same time concern is mounting for the safety of more than ten women arrested in the past three weeks and of whom nothing has been heard. Among them are: Fatimah al-Kanguni, 25, Nahid Ahmad al-Halwashi, 22, both from Manama. Also Zahrah Hasan 'Ali and Aminah Hassan 'Ali (not sisters), are two nurses who were arrested for attending to the care of an injured young boy in their town of al-Dayr last month. The arrest of women is one of the recipes for the continuation of people's anger against the Al Khalifah tribal rule who have violated the traditional values of the Bahraini society by indulging in these inhumane acts. At another level, the Republic of Yemen has appointed Mustafa Nu'man as an Ambassador to Bahrain following the departure of his predecessor. It was reported that the wife of the former Ambassador had expressed support for the people's constitutional demands, prompting the Al Khalifah to demand the withdrawal of her husband as an Ambassador.

The people of Bahrain are now poised for a more advanced form of peaceful civil resistance. The coming months will witness the intensification of people's disobedience in their attempts to force the Al Khalifah to acquiesce to their constitutional and democratic demands.

Kuwait

Kuwait: Shaykh Sa'd Backs Bahrain Against Terrorism

LD1107152096 Kuwait KUNA in Arabic 1230 GMT 11 Jul 96

[FBIS Translated Text] Manama, 11 Jul — This morning Shaykh Sa'd al-'Abdallah Salim al-Sabah, Kuwaiti heir apparent and prime minister, urged leaders of the

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Gulf Cooperation Council member states to stand by Bahrain in order to extirpate the acts aimed at undermining its security and stability.

At a news conference held today on the sidelines of his visit, Shaykh Sa'd reiterated the support of the government and people of Kuwait for Bahrain, its government and people, in the defense of its security and the security of its citizens. He added that Kuwait condemns all terrorist acts and denounces them at all times and everywhere.

He stressed the need "not to allow such terrorist activity, in the present or the future, to move to any member state of the Gulf Cooperation [Council]" and the need "to extirpate such activity in Bahrain without any hesitation."

He added: "We, as officials, have to stand by Bahrain with the utmost courage and frankness, out of belief that what happened and is happening in Bahrain will harm not only the people of Bahrain. Therefore [words] must be translated into actions in the Gulf Cooperation and we must not remain silent about the terrorist acts taking place in Bahrain."

The heir apparent and prime minister said: "Kuwait cannot sit and watch what is happening in Bahrain, proceeding from what our feelings and pan-Arab duty dictate to us. Therefore we say very loudly that we will not tolerate Bahrain being the target of such terrorist acts and we will stand by it on all important matters and in all crises."

He added: "The State of Kuwait has followed and continues to follow all the latest developments in the arena in order to bring about some sort of stability." He talked about the recent development, namely the Syrian endeavor, which came at the initiative of Syrian President Hafiz al-Asad after the Cairo Summit.

Shaykh Sa'd also expressed his thanks and appreciation for the efforts which Syria made and is still making in Bahrain's defense. He said that the visits of Syrian Foreign Minister Faruq al-Shar' to Bahrain and Iran resulted in positive points. He then expressed the hope that "Iran will translate the words we have been hearing, following the Syrian efforts, into tangible and concrete action."

The Kuwaiti heir apparent and prime minister praised the role played by the political leadership in Bahrain "in dealing with the terrorist acts aimed to undermine the achievements and sow discord among the one people." He also praised its role "in restoring security and stability in the country."

He added that "the doors of the Bahraini political leadership are always open to the citizens of this homeland for dialogue and mutual understanding in order to serve the progress and prosperity of this country which is dear to us all."

Shaykh Sa'd said: "We do not approve of terrorist acts, and security and tranquillity must prevail in all areas for the good and happiness of the people of Bahrain."

The Kuwaiti heir apparent and prime minister reiterated Kuwait's readiness "to contribute and join the brethren in Bahrain in the execution of the economic projects aimed at supporting the national economy in order to take on the burden and responsibility shouldered by Bahrain amid difficult economic conditions."

He said: "We in Kuwait have become convinced of contribute to such necessary projects, in the present and the future, in order to foil the plans aimed at tearing apart this fraternal people and weakening Bahrain's potential."

Shaykh Sa'd added: "We as brethren are aware of these evil plans and we have to join hands with our brethren in Bahrain in all areas, particularly the security area, in order to give this peaceful people, who enjoy tranquillity under their political leadership, a greater sense of security, safety, and stability to enable them to embark on the execution of the development projects. These projects are the object of the attention of the Kuwaiti strategy aimed at ensuring the continuation of cooperation with the sisterly country of Bahrain."

In reply to a question on putting into effect his call for the Gulf Cooperation Council [GCC] states to stand by Bahrain, the Kuwaiti heir apparent said that the call which was [word indistinct] yesterday "stemmed from our duty toward our brothers."

Regarding the steps that have to be taken by officials in the GCC states, Shaykh Sa'd said: "I cannot speak for any official in the Gulf nor determine the steps." He warned that the GCC states "will witness more conflicts and disputes which will not serve their interests now or in the future." [passage omitted]

Shaykh Sa'd called for more cohesion among the GCC states and for lessons to be learned from the al-Khubar explosion, and said: "This incident is new to us, and it is a grave omen which we must not forget." He pointed out that Kuwait is not immune to these plots and evil intentions. [passage omitted]

Shaykh Sa'd said that Kuwait has begun to take security measures that will ensure the failure of evil schemes. He warned that the GCC states may be surprised today or

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tomorrow by an action similar to that of al-Khubar in Kuwait.

He called for serious and urgent thinking about not allowing terrorist organizations to continue their courses of action, which is not in the interest of any GCC state.

In the course of replying to a question on whether there is a joint Kuwaiti-Saudi initiative or draft to settle the dispute between Bahrain and Qatar, Shaykh Sa'd said that the Kingdom of Saudi Arabia, under the leadership of King Fahd Bin-'Abd-al-'Aziz Al Sa'ud, the custodian of the two holy mosques, "has made efforts and continues to do so to find a way of settling the dispute."

The heir apparent further said: "We are hopeful of finding solutions to the dispute between Bahrain and Qatar through cooperation among all, for the good of the peoples of this vital region of the world."

Concerning the challenges facing the states of the region since the early nineties, and Kuwait's role in persuading Iran not to interfere in the domestic affairs of the State of Bahrain, Shaykh Sa'd mentioned the results of the Iraqi invasion of Kuwait on 2 August 1990 and the suffering of the Kuwaiti people. He added: "The aggressive and expansionist intentions of the Iraqi regime have revealed the reality of the challenges facing this region." He expressed appreciation and thanks to all the fraternal and friendly states that contributed to the liberation of Kuwait.

Shaykh Sa'd pointed to the visit paid by the Syrian foreign minister to Iran and Bahrain, and said he is convinced that officials in the two countries have arrived at a formula that secures more prosperity and stability for Bahrain. The heir apparent further said: "To the neighboring states that had a hand in what happened in Bahrain, directly or indirectly, we say that the time has come to turn your words into deeds; enough of what happened to the people of Bahrain, who have the right to live in security, tranquillity, and stability."

In reply to a question on the return of Iraq to the Arab and international fold, Shaykh Sa'd said that Baghdad should implement the UN Security Council's resolutions, particularly UN Security Council Resolution 687 which calls on Iraq to release all prisoners of war and hostages, "and after that the question of Iraq's return to the international fold will be up to the UN Security Council." [passage omitted]

In reply to a question on his perception of the region's security and economic future in light of his call for cohesion and cooperation among the GCC states to face their common destiny, the Kuwaiti heir apparent said: "We in Kuwait have many hopes and aspirations which we wish had been achieved years ago. We also appreciate the economic, social, and political conditions in each state. Therefore, there is nothing to prevent me now or in the future from continuing to urge my brothers to work towards speedily achieving these hopes, wishes, ideas, and aspirations. This is not just for Kuwait but for all the peoples of these states, now and in the future."

He expressed his optimism that the forthcoming meetings of the leaders of the GCC states will witness openness and awareness of what is required from the higher authorities to make the peoples of the region happy in every field.

The Kuwaiti heir apparent and prime minister praised the major role played by Shaykh 'Isa Bin-Salman Al Khalifah, the amir of the State of Bahrain, at the recent Arab summit conference in Cairo and thanked him for the speech he made on that important occasion.

Replying to a question on Kuwait's position on the need for the countries of the region to try and find a solution to the Bahraini-Qatari border dispute, he said: "Kuwait's position is simple: One should speed up any initiative aiming at resolving this dispute." He added, however: "Any solution will not just happen like that; it needs serious work." Shaykh Sa'd was optimistic nonetheless that "a solution to the Bahraini-Qatari dispute will be found sooner or later, God willing."

The news conference was attended by the delegation accompanying Shaykh Sa'd; Muhammad Ibrahim al-Mutawwa', the Bahraini minister for cabinet affairs and information; and local and foreign newsmen working in the State of Bahrain.

Qatar

Qatar: Opening of Representation Office in Israel Delayed Over Policies

NC1107211296 Paris AFP in English 2006 GMT 11 Jul 96

[FBIS Transcribed Text] Doha, July 11 (AFP) — Qatar said Thursday [11 July] it would not open a planned commercial representation office in Israel until it had a clearer understanding of the peace polices under Israel's new rightwing government.

"Qatar does not envision for the moment opening a (commercial) representation office in Israel and will evaluate the Israeli position on the peace process," Foreign Minister Shaykh Hamad Bin-Jasim AL Thani told the official QNA news agency.

Israeli diplomats who arrived in Qatar at the end of May to inaugurate the Israeli commercial representation office "are still in Doha," he added.

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Qatar, which was the first Gulf Arab country to begin normalizing relations with Israel, has warned it would stop the process if new Israeli Prime Minister Binyamin Netanyahu stuck to his hardline policies in the Middle East peace process.

"Qatar supports the peace process and hopes Israel will change its attitude, It's in its interest, if not, Qatar will take the necessary measures to deal with the situation in coordination with other Arab countries,' Shaykh Hamad said.

A chorus of Arab anger swept across the Middle East Thursday in response to Netanyahu's speech to the US Congress which gave no quarter to his Arab neighbours.

The Arab League said Netanyahu had thrown down a direct challenge to United Nations resolutions on the fate of occupied Arab lands.

Netanyahu on Wednesday won applause from the US Congress when he vowed that Jerusalem would remain "the eternal capital" of Israel.

He also ruled out the creation of a Palestinian state, and said Israel would only withdraw from occupied south Lebanon once Syria had dismantled the Hizballah guerrilla force there.

Qatar: Doha May Withdraw International Court Case Against Bahrain

NC1107211596 Paris AFP in English 1458 GMT 11 Jul 96

[FBIS Transcribed Text] Doha, July 11 (AFP) — Qatar said Thursday [11 July] it would withdraw its international lawsuit against Bahrain over disputed islands if Saudi mediation efforts are successful.

"If we reach a brotherly settlement, we will withdraw our case from the International Court of Justice [ICJ]" at The Hague, Qatar's Foreign Minister Shaykh Hamad Bin-Jasim AL Thani told the official QNA news agency.

"What problem is there in seeking a solution (under Saudi auspices) while pursuing our case at the International Court of Justice?" Shaykh Hamad asked. But he warned Bahrain against "footdragging" if Bahrain withdraws its case.

After accusing Bahrain of "continuously provoking" Qatar, the foreign minister said his recent trip to Manama was not to consider withdrawing Doha's case but rather to "start improving bilateral ties."

"The improvement of relations between Manama and Doha does not at all mean the withdrawal of Doha's case, although it could happen at a later stage when all obstacles to improved ties are removed," Shaykh Hamad said.

The dispute centers on whether Qatar or Bahrain has sovereignty over the Hawar islands and Fasht al-Dibil rocks lying in the Gulf between the two countries.

It almost degenerated into armed conflict in 1986, but King Fahd stepped in to contain the crisis.

Manama and Doha have until September 30 to submit their written documents to the court, the ICJ said.

Bahrain challenged the tribunal's competence to rule in the case, saying Qatar had no right to file a lawsuit unilaterally under Saudi-mediated agreements signed in 1987 and 1990 by the two countries.

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Israel: Netanyahu Urges Arabs To Make Peace, Meets Jewish Leaders

TA1207073096 Jerusalem Qol Yisra'el in English 0400 GMT 12 Jul 96

[FBIS Transcribed Text] Prime Minister Binyamin Netanyahu has called on Arab states to make peace with Israel. In a speech to Jewish leaders in New York, Netanyahu said that if Arab leaders wanted peace, security, and prosperity they would find partners.

He also urged American Jews to fight the threat of assimilation by promoting Jewish education and travel to Israel. In response to a question about the influence of orthodox Jewish leaders in his new government, the prime minister promised to keep the status quo as it is. He urged the American Jewish community to invest in Israel. He said that Israel is going to be the economic success of the 21st century. He rejected the economic policy pursued by Israel in the past, saying that it was one of the most centralized to be found among Western countries. Netanyahu added that notwithstanding, Israel had achieved a Gross Domestic Product on par with that of Britain.

At a luncheon at the New York Stock Exchange, Netanyahu said his government planned to privatize just about all government companies and services. He told the gathering of business executives that they would make money in Israel. The prime minister also said that peace is important for businessmen and investors because it is another way to say political stability.

Yesterday, the prime minister also met in New York with Republican leaders, including New York Governor George Pataki, New York Mayor Rudolph Giuliani, and presidential candidate Bob Dole.

Israel: Netanyahu Demands Closure of PA Offices in Jerusalem

TA1207075296 Tel Aviv IDF Radio in Hebrew 0400 GMT 12 Jul 96

[FBIS Translated Text] Israel is demanding that Palestinian Authority [PA] Chairman Yasir 'Arafat close the offices of the Palestinian mufti on Temple Mount. Prime Minister Binyamin Netanyahu's aides said this is one of four offices against which Israel has collected enough legal evidence to ask the courts to close them down. The list of demands will be submitted to 'Arafat next week. Our political correspondent Udi Segal, who is accompanying the prime minister on his trip, reports from New York:

[Begin recording] [Segal] Israel is demanding that 'Arafat immediately close down four PA offices in Jerusalem as a condition for making any progress in the negotiations. Prime Minister Binyamin Netanyahu told U.S. President Bill Clinton that there would be no concessions on the issue of Jerusalem. The issue is not open to negotiations with the Palestinians, the prime minister explained at his meetings with U.S. officials. A detailed list of PA violations will be submitted to 'Arafat next week. Here is what David Bar-Ilan, Netanyahu's adviser on media and policy planning, had to say.

[Bar-Ilan] The battle for Jerusalem has already begun. Orient House is merely the symbol of this battle. What we have there is a process of creeping sovereignty. In other words, the PA operates at least 40 offices, a dozen of which are important. Out of these, there are four or five in which bona fide government and political activity takes place.

[Segal] Orient House is one of these four offices. The others are the Palestinian Central Bureau of Statistics [PCBS] and the Palestinian education ministry, against which Israel has amassed solid legal evidence, which in the view of sources in the prime minister's entourage, will permit their immediate closure. The fourth office is perhaps the most sensitive: the battle for Jerusalem starts on Temple Mount, the most problematic site in the city.

[Bar-Ilan] These agreements say that the Jerusalem mufti cannot operate as a PA representative. Now, however, instead of the former mufti, we have a Palestinian mufti appointed by the PA who for all intents and purposes operates a Palestinian religious affairs ministry on behalf of the PA. This is prohibited by the agreement.

[Segal] This refers to the offices of Hasan Tahbub, the Jerusalem mufti appointed by 'Arafat. Bar-Ilan claims that the anti-Israeli incitement in Temple Mount mosques constitutes yet another violation of the agreement. If Orient House represents the struggle over political sovereignty, then Temple Mount may symbolize the beginning of an even fiercer battle, with dangerously religious characteristics. [end recording]

[A similar report in Tel Aviv HA'ARETZ in Hebrew on 12 July in a report by Aluf Ben on pages A1, A2 adds that "Prime Minister Binyamin Netanyahu has decided to act cautiously on this matter, due to the sensitivities involving a religious institution operating at a holy site." The report notes that "Netanyahu has still not decided which steps he will take if the Palestinians continue operating in Jerusalem." HA'ARETZ lists the PA violations in Jerusalem as: "the religious affairs ministry on Temple Mount; the PCBS; PA Minister Hanan 'Ashrawi's bureau; the fact that Faysal al-Husayni was appointed a PA minister, which makes all his activity a violation of the agreement (al-Husayni was not formally

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sworn in and some legal experts believe it will be difficult to present conclusive evidence against him)." The report states that "Jibril al-Rujub's preventive security service has been active in East Jerusalem and that the PA has made attempts to take over the education system in the eastern part of the city." HA'ARETZ says that "sources in Netanyahu's entourage said that Israel would not accept any 'gray areas' in which Palestinian institutions continue operating in Jerusalem under various covers and would demand that they be closed and all government activity stopped. According to the sources, Israel has already received indications that the PA understands the Israeli Government's position on the matter."]

Israel: Peres—Netanyahu Remarks 'Unwise' Attempt To Unite Arabs

TA1107155196 Tel Aviv IDF Radio in Hebrew 1400 GMT 11 Jul 96

[FBIS Translated Text] Today, Shim'on Peres, Labor's chairman and former prime minister, lashed out at Prime Minister Binyamin Netanyahu's remarks in Washington and at the new economic measures. Addressing the Labor bureau, Peres said that the battle for the survival of the Jewish people has begun and that an unwise attempt was made in Washington to unite the Arab world against us. Our correspondent Danielle Shani reports:

[Begin recording] [Shani] Opposition leader Shim'on Peres broke his silence today and did not mince his words, especially when it came to criticizing Prime Minister Binyamin Netanyahu.

[Peres] What happened yesterday in Washington was primarily an unwise attempt to unite the Arab world before — if not against — us. What for? The fact that there was applause does not mean much.

[Shani] The United States is long on politeness, Peres said, but I do not suggest that we allow speeches and ovations to impress us. If we turn the conflict into a Jewish-Muslim one and move from a conventional to a nonconventional threat, we will be endangering our existence, Peres said and proceeded to depict a not too brilliant future for the peace process.

[Peres] It is a mistake to present the Arab world with the choice of fundamentalism or democracy. If peace must await democracy, I do not know when it will come.

[Shani] Netanyahu's proposals regarding the Syrian front do not encourage me either, Labor's chairman said:

[Peres] To say that we will make order in Lebanon — what does that mean without Syria's agreement? It means that Syria will get to Metulla.

[Shani] Being the leader of a feisty opposition, Peres still talks about the wrong done to him in the Likud's election campaign concerning the handshake with 'Arafat.

[Peres] Yesterday, I heard the Israeli foreign minister express the hope that he will meet with 'Arafat within two weeks and say that the prime minister may beat him to it. A race is on as to who will be the first to shake 'Arafat's hand.

[Shani] Peres lashed out in all directions. Referring to the new economic measures, he said he would have also cut the budget but not so hastily, not through decisions made overnight, and not for some applause from the U.S. Congress. Ideology disappeared from the Knesset as a result of the law on the direct election of the prime minister, Peres noted.

He did not spare his party either. Before the primaries, members phoned all the households, but once the internal party elections were over, they forgot to do that. [end recording]

Later on in the meeting, a sharp exchange took place between Peres and former Justice Minister Hayim Tzadoq, when the latter said there is a clear interest to hold the contest for the party's leadership as early as possible. The man who rebuilt the Likud was Netanyahu, not Shamir, Tzadoq said.

In response, Peres said: You will not teach me. I have the right to stay on and to see what happens and whether the coalition will last. Peres said that if a candidate for Labor's leadership is elected now, he will not win the elections four years hence and will be destroyed by the internal rivalries in the party.

Israel: Labor's Beilin Says Waiving U.S. Aid 'Wise, Appropriate'

TA1107155796 Jerusalem Qol Yisra'el in Hebrew 1405 GMT 11 Jul 96

[Telephone interview with Israeli Labor Knesset Member Yosi Beilin by Goni Mardor-Biran; place not given — live]

[FBIS Translated Excerpt] [Mardor-Biran] We have heard Prime Minister Binyamin Netanyahu voicing his readiness to waive portions of the U.S. aid, as well as comments on economic independence. Good evening, Labor Knesset Member Yosi Beilin.

[Beilin] Good evening.

[Mardor-Biran] Do you share the congressmen's applause in this respect?

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[Beilin] I think it is a wise, appropriate, and timely thing to do. I would go farther than indicated by the prime minister, who said a long-term move will start in the coming years. In my opinion, it can be done at once by linking the U.S. economic grant to the annual sums we relay to the United States in settlement of our debt.

[Mardor-Biran] Doesn't it seem premature or dangerous to you?

[Beilin] There is no reason to avoid it. After all, we meet the U.S. halfway every year, repaying an amount that is almost equivalent to the $1.2 billion we receive in aid. The payments we will be making over the coming years in settlement of the debt will be smaller, and they will further decrease over the years. What will happen is that we will then be receiving supplemental amounts, and I do not think that receiving such supplemental amounts is justified at this time. Telling the Americans that they can keep these supplemental amounts and that all we want is to settle the debt would be both the honorable and financially appropriate thing to do. This would mean that in eight to 10 years, there would be no more financial U.S. aid to Israel; only the military aid would remain.

[Mardor-Biran] Do you believe Israel is ready for it?

[Beilin] It certainly is. [passage omitted]

Israel: Finance Minister on U.S. Aid, Budget, Goals

TA1107180796 (Internet) GLOBES in English 11 Jul 96

[Interview with Israeli Finance Minister Dan Meridor by Hagay Golan, Orna Raviv, and Avi Temkin; place and date not given]

[FBIS Transcribed Text] Globes: The Prime Minister announced last night in the United States that the object is to reduce American aid. Was this declaration previously co-ordinated with you?

Meridor: There is no doubt that, in the long term, no nation wants to rely on aid. The Prime Minister's remarks were directed at the long rather than the short term. The US aid we get consists entirely of security aid. There is $1.8 billion in security aid and another $1.2 billion civilian aid, designated almost in its entirety for repaying loans initially taken to finance security requirements. That aid is justified, considering our heavy security burden. In the long run, we obviously do not want to rely on American aid. But in the short term, we are not waiving that aid.

Globes: From what you said yesterday in Knesset, one would infer that there will be no compromising on the economic decrees.

Meridor: The government's decision regarding the budget, and especially regarding the cut-backs in the various ministries, was not opposed by even a single minister. This is the only resolution that is binding upon the government and all ministers. There will be no backing down from this decision. At the same time, the Knesset and its members are of course entitled to propose changes and we are always open to negotiating with the Knesset.

Globes: Critics of the economic plan claim it is socially unjust.

Meridor: Social justice was one of the main things we had in contemplation. There were proposals that were turned down because they were socially unjust. We decided to allocate a sum of NIS [new Israeli shekels] 50-70 million to allow pensioners discounts on public transport fares. We did it because most pensioners using public transport are not wealthy people. They are new immigrants and long-standing residents who do not own an automobile. We also decided on a move that has never been adopted before, namely to transfer NIS 150 million from the stronger classes to the weaker, in the frame of national insurance pensions.

The most important thing we did was to oppose the suggestion of increasing taxes on labour, which would imply cancelling the government's participation, through national insurance, in the cost of labour. This does not involve giving money to the rich. They can manage without this money. This is, in effect, a way of reducing the tax on labour, in such a way as to reduce the cost of labour. There are industrial enterprises that have a very low profit margin and are liable to be injured if we eliminate this participation. The most hard hit will again be the workers.

Globes: You haven't touched taxation.

Meridor: I am against raising taxes. Against increasing marginal tax and against increasing the overall tax burden. It was no coincidence that the rapid economic growth of the past seven years was related to the easing of the tax burden. No country has both a rising tax burden and growth.

The main question facing the government is one of responsibility. We had three possibilities. One was to increase revenues. We rejected it. The second was to increase expenses and deficit. We rejected that possibility too, as it would have been an irresponsible decision, since it would have entailed our taking loans today, that our children will have to repay tomorrow. The third possibility, namely the slash, was the one we preferred.

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Globes: Won't the cut-back in benefits under the Law for the Encouragement of Capital Investments deter foreign investors?

Meridor: I am very much afraid of what will happen if we do not either cancel or reduce grants under the Law for the Encouragement of Capital Investments. What has happened is that we have spent billions in a very ineffective manner that is injurious to investments in Israel. These billions are not ours. We borrow them elsewhere at a far higher interest rate than what they give back to the economy.

If the previous government decided to make the Intel plant a gift of 600 million dollars, this means the government is making a gift of 400,000 dollars for every worker in that plant. This figure is in the realm of fantasy, it is totally illogical. The money could have been invested in infrastructures, in research and development, in education or the lowering of tax in the very areas that are earmarked for development, without throwing away the taxpayers' money in such a wasteful manner.

Globes: What glad tidings does your proposed economic plan hold out for the foreign investor and the Israeli manufacturer?

Meridor: The budget passed by us is not an economic plan. It was essential, it was a pre-condition, in terms of its effect on the government's deficit and the balance of payments deficit. But the main thing is the structural changes in the economy. This is not merely an economic but also a psychological change, on the road to accessibility, which is critical for ensuring efficiency in the economy. The result of the changes we are about to make will be not just the streamlining of the economy but also the lightening of the burden on the weaker classes. I do not want to be more specific, since there are interested parties that are benefiting from the existing situation.

Globes: Do you intend to do anything more about the pension funds arrangement?

Meridor: The pension funds arrangement approved in March 1995, is of tremendous significance for the Israeli economy and the capital market. This is an arrangement costing an estimated NIS 90 billion. What we have here are two conflicting interests. One is to prevent the collapse of the pension funds. On the other hand, to take from the general Israeli population large amounts of money so as to improve the lot of a small sector of the population, based on a criterion of who was and who was not a member of a particular pension fund, this is a question of social justice.

The question is what degree of assistance? Should it be up to twice the average wage in the economy or a different amount? Another question is how to provide this assistance — by the direct, budget method or by ensuring a high capital market yield. The method that was chosen, I am afraid, is one that is burdensome to the capital market, it increases national expenditure by tens of billions of shekels and will bring the government back into the capital market, making it difficult for other concerns to compete in financial instruments. To reach a 4.8 percent inflation adjusted return is no easy matter.

This is a complex issue that will have to be seriously studied. Pulling rabbits out of one's sleeve is not the answer. Once I have completed my study, I will arrive at a definite position on the matter.

Globes: The Prime Minister has declared massive privatisation. Is there a fully-worked out privatisation plan?

Meridor: Privatisation is an important matter and we shall deal with it. But it is not the only flag we are flying, it does not stand on its own. What is more important than privatisation is liberalisation and deregulation. What use is there in selling a company all of whose profits come from its holding a government concession? What we need to create is competitive conditions, not an over-concentration of power in various branches. This is also the reasoning behind the limits placed on the non-financial holdings of banks. That is why we must not go in for privatisation by itself, but for privatisation while encouraging competitiveness.

Globes: The economic steps you have decided on are liable to put the economy into slow-down or even recession, unless accompanied by a lowering of the interest rate and a devaluation.

Meridor: I was glad to read the Bank of Israel Companies Survey which says economic activity is continuing and there is no recession. The budget slash is not a deep one, government expenditure will not diminish but will increase slightly even after the slash. I see no recession here. The fiscal policy was needed because it was plain to me that we are in a budget deficit of over NIS 5.5 billion and will reach 11% by the end of the year. This is impossible because of the effect on the balance of payment and inflation. Next year we will reach a deficit of 2.8 percent as against product.

Israel: Netanyahu Demands Pollard Pardon in 'Unambiguous Terms'

TA1107175096 (Internet) 'Arutz 7 News Service in English 11 Jul 96

[FBIS Transcribed Text] Our special correspondent in Washington learned that in Monday's [8 July] private

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conversation between Prime Minister Netanyahu and President Clinton, Netanyahu demanded in firm and unambiguous terms that Jonathan Pollard be pardoned, and that America do all in its power to bring about the return of Israel's MIA's held captive in Arab countries.

Our correspondent also reported that a number of congressmen who played key roles in the attempt to bind American aid with PLO compliance were boycotted by the Israeli Embassy. They were not invited, for instance, to last night's embassy dinner in honor of the Prime Minister.

One other item of interest: In his meeting with the U.S. Defense Secretary, Netanyahu was informed that the Americans have reached the conclusion that the Nautilus defense system is not effective against katyusha rockets, and that replacement systems will have to be found.

Israel: France Threatens Freeze in Ties; Envoy Comments

TA1107124696 Tel Aviv IDF Radio in Hebrew 1000 GMT 11 Jul 96

[FBIS Translated Text] Actual pressure by a Western country has for the first time been exerted on Israel following the change of government. The French defense minister announced in Paris that a halt of the peace process by Israel would lead to the suspension of the cooperation agreements between Paris and Jerusalem, including the defense and security accords. Our correspondent Eldad Beck reports from Paris:

[Begin Beck recording] In another 10 days, French Defense Minister Charles Millon was supposed to pay an official visit to Israel to meet with the prime minister, defense minister, and the IDF's [Israel Defense Forces] top brass. Two days ago, Paris decided to postpone the visit to an as yet unknown date. The official reason cited for the postponement was that the French foreign minister, sent by President Jacques Chirac on a tour of the Middle East, is due here the same day.

Remarks made this morning by Minister Millon before members of the France-Israel Chamber of Commerce, however, denote a clear trend. France, which had so far shown restraint toward the Netanyahu government, has cut the period of grace and unequivocally warned that if Israel does not pursue the peace process, the warming-up of relations between the two countries will be frozen. Millon even hinted at the possibility of suspending the agreements on cooperation in the defense and security spheres signed in the past three years. France would understand if Israel decided to change the negotiating methods or the nature of the process, Millon said, but it is inconceivable that the process should be halted. The future of relations between Israel and France, the French defense minister stressed, will hinge on the peace process. [end recording]

Reacting to the French defense minister's remarks that if Israel stops the peace process, Paris would suspend the cooperation agreements with Israel, including those pertaining to the defense and security spheres, Israel's Ambassador to France Avi Pazner said:

[Begin Pazner recording] Those who think the peace process has been halted or will get stuck are wrong. The situation may not be entirely clear, and that is why I make it clear to France — and not just this morning — that the peace process will continue and that this is the policy of the Israeli Government. [end recording]

Israel: Sources Reject French Link Between Ties, Peace Process

TA1107151196 Tel Aviv IDF Radio in Hebrew 1400 GMT 11 Jul 96

[FBIS Translated Text] Reacting to French Defense Minister Charles Millon's remarks that if Israel stops the peace process, Paris will suspend the cooperation agreements with it, Israeli political sources said relations between Israel and France, including the security sphere, reflect the wishes and interests of both countries. We see no room to link these relations to developments that do not pertain to these bilateral relations, the political sources said.

Israel: Source Details 'Package Deal' To Be Offered to 'Arafat

TA1107175696 Jerusalem Channel 2 Television Network in Hebrew 1700 GMT 11 Jul 96

[Video report with Israeli Prime Minister Binyamin Netanyahu's entourage by political correspondent 'Imanu'el Rosen in New York; date not given]

[FBIS Translated Excerpt] [passage omitted] A senior source in Netanyahu's entourage has told us that Dore Gold or Minister David Levi will soon meet with Yasir 'Arafat and offer him a package deal: Lifting the closure on the territories in exchange for Palestinian willingness to halt the release of Palestinian prisoners and the political activity in East Jerusalem. [passage omitted]

Israel: Adviser Gold Blasts Labor Government Security Concessions

TA1207072996 Jerusalem Qol Yisra'el in English 0400 GMT 12 Jul 96

[FBIS Transcribed Text] The prime minister's political adviser Dore Gold has accused the previous government of making dangerous concessions in the field of security.

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According to Gold, this included concessions to the Palestinians beyond what was agreed to in the Oslo Accords.

In an interview with Qol Yisra'el, Gold said that when he took over his new job he discovered things about the previous government that were not known and that disappointed him. The prime minister's political adviser was now making attempts to salvage whatever was possible from the decisions of the previous government.

A Qol Yisra'el reporter adds that Dore Gold is apparently referring to the activity of the Palestinians in Jerusalem and promises given to the Americans regarding negotiations with Syria.

Israel: Netanyahu 'Neither Impressed nor Bothered' by Arab Reaction

TA1207074296 Tel Aviv YEDI'OT AHARONOT in Hebrew 12 Jul 96 pp 1, 2

[Report by Shim'on Schiffer from the United States]

[FBIS Translated Excerpt] "We are neither impressed nor bothered by the threats made over the last few days in the Arab world," Prime Minister Binyamin Netanyahu stated in an interview with YEDI'OT AHARONOT.

He added: "It is a rush reaction stemming from the difficulty the Arab countries and the Palestinians have adjusting to the new situation created in Israel in the wake of the elections."

The prime minister disclosed that over the last few days he had received numerous positive messages from elements in the Arab world expressing their desire to pursue their contacts with Israel. "The Arab world has no reason to get all worked up," he said, "we received a mandate from the Israeli people to advance to peace with security, which will benefit all sides."

Referring to the analogy drawn in the Syrian media between him and Hitler, Netanyahu said: "It is an unthinkable response which does not merit comment." [passage omitted]

High-level political sources estimated that the harsh reactions in the Arab world to Netanyahu's U.S. visit stemmed from the wrong assessment in the Arab capitals that the U.S. Administration would bring Netanyahu "to his knees." [passage omitted]

[A report by U.S. correspondents Hayim Shibi and Tzadoq Yehezqeli on page 2 of the same paper adds: "In his visits in Cairo and Amman Prime Minister Binyamin Netanyahu will try to promote a permanent regional framework which will hold a dialogue on defense issues, including measures to prevent 'loss of control' situations. These would resemble the arrangements at the peak of the cold war, which included a 'hot line' between Washington and Moscow.

["Netanyahu presented his plan at a meeting with Arab journalists in Washington. 'We do not have a regional framework to curb the arms race, we do not have a framework to discuss the missile threat. If a framework for understandings on sensitive security issues such as missiles and advanced weapons is not established, we might face an uncontrollable situation.'

["Netanyahu added: 'Such a framework will initially be derided and presented as an instrument of paralysis, but if we do not have a stabilizing framework in a less stable region in the world the situation will get out of control.'"]

Israel: Majority Believe Economic Measures Will Hurt Them

TA1207080196 Tel Aviv YEDI'OT AHARONOT in Hebrew 12 Jul 96 p 5

[Public opinion poll conducted by the Dahaf Institute directed by Dr. Mina Tzemah]

[FBIS Translated Text] Question: Do you think your personal standard of living next year will be hurt as a result of the new economic program?

Answer: Will be hurt (67 percent); will not be hurt (26 percent); did not reply (7 percent).

Question: Do you think the Israeli economy "is sick and requires emergency surgery" or do you think the economy "is in good shape but has some problem with the balance of payments?"

Answer: The economy is sick (54 percent); it is in good shape (34 percent); did not reply (12 percent).

Question: Do you approve or disapprove of the way the Netanyahu family has been exposing itself to the public?

Answer: Approve (38 percent); disapprove (53 percent); did not reply (9 percent).

The poll was conducted on 10 July among 511 respondents who constitute a representative sample of Israel's adult population. The maximum margin of error is 4 percent.

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Jordan: Prime Minister al-Kabariti Holds News Conference

JN1107150896 Amman Radio Jordan Network in Arabic 1157 GMT 11 Jul 96

[News conference by Jordanian Prime Minister 'Abd-al-Karim al-Kabariti with foreign and domestic correspondents in Amman on 11 July—recorded]

[FBIS Translated Text] [al-Kabariti] In the name of God, the merciful, the compassionate. I want to address today every Jordanian brother and sister. I address your sincerity, love, and devotion for this homeland. The issue that I raised two days ago before your representatives—the deputies of the people—is a national issue. Yes, it is a serious national issue that concerns citizens' sustenance, which my government is eager not to affect in any way at all. It is my government's constant pledge that the people's sustenance, conditions, and problems will be the government's responsibility. This is my pledge and responsibility. I have made an honest promise that subsidies to citizens' sustenance will not be affected. I am addressing you today and stress that this issue is a national issue that concerns everyone of us rather than a certain government. National interests are more important and more serious than the interests of any government.

To be fair, sincere, and truthful, I must tell you that I came here to address you only after I worked very hard to find an integrated solution to the subsidies issue. I have had the honor of carrying the responsibility and trust in order to care for your interests, work to solve your problems, and make your life easier. As I have always been with you, I would like to be clear and to reaffirm that the government will not lift the subsidy given to Jordanian citizens. The government will not lift the subsidy to the Jordanian citizens as long as I have the honor of being in charge. I stress to you that this subsidy will not be affected at all and that citizens will not bear any additional burden to obtain their daily bread.

To be fair, I must tell you that we need to rationalize at this phase. Rationalization must cover all quarters, sectors, and categories in our society. I will begin by squeezing expenditure in my cabinet and in all the government sectors, departments, and institutions, within a program whose effects you will feel very soon. The objective is to maintain the subsidy for the citizens' bread so that citizens' daily sustenance will not be affected. Yes, subsidies to exploiters, those capitalizing on citizens' food, making unlawful profit at the expense of the homeland and citizens, and taking advantage of the crises of the homeland and citizens will be lifted. Also, subsidies given to the wealthy and fortunate at the expense of the needy and the poor in this homeland perhaps will be lifted.

Some groups, especially those who have made it a profession to fish in troubled water and target the homeland for their own interests, are practicing one-upmanship. They say that the subsidy will be lifted. I am here today to say again that the subsidy will remain. This is my government's constant position. I am here to say that the alert Jordanian citizens have exposed the previous practices and promises of those practicing one-upmanship. Citizens differentiate between empty slogans and genuine, honorable acts. If we do not take a step now in the right direction, which means maintaining subsidies for citizens' food and lifting subsidies to exploiters, this will result in the exploiters sapping what we are paying to buy our daily sustenance. This is what we are going to stop and put and end to. If this state of affairs continues, it will negatively affect our economy, lives, and our children's sustenance.

I live with you everyday and feel your problems and the suffering of a large part of you. You have legitimate questions on subsidies, the price of bread, the squeezing of the expenses of the public sector, the policy of rationalization for everyone, and social justice. I know that the confusion caused by those who practice one-upsmanship made citizens uncertain how subsidies will reach them. I came today to face the press, which is the conscience of the people and the nation and which represents all sectors of our society, to answer all questions on this issue. I want to reiterate our true promises, honest policies, and deep awareness of everyone's problems, as well as the government's concern about you. These are the priorities of my government, and they will remain so. The door will remain open to you, the conscience of the people, so please step forward.

[Unidentified correspondent] Mr. Prime Minister: The Jordanian citizen is not against raising the price of bread and supporting the deficit in the state budget. The Jordanian citizen is willing to do everything he can so that this country will continue to hold its head high, under its Hashemite leadership. However, the citizen is wondering whether he is always responsible for the failure of previous governments in their economic policies which caused us to bear this burden and this indebtedness. Is the citizen responsible for the unnecessary expenses? Is he responsible, for example, for the current status of Royal Jordanian, for the status of the Petra Bank, which cost the treasury a lot, and for the failure of many economic projects in the past? Is the citizen responsible for the lavish expenses of previous governments, the fancy cars used by ministers for their children and maids? All these

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have led us to this difficult situation. I affirm that Prime Minister al-Kabariti's government is not responsible for these accumulated problems. However, it is required that an integral mechanism be devised to address and implement the economic reform program and declare a state of austerity for everyone, beginning with the government. We hope that the government will shortly announce an integral plan because we are all responsible for what our dear country is passing through. We hope....

[Al-Kabariti, interrupting] I hope that you will remain a journalist, and not run for elections. At any rate, and in all honesty, yes the citizen is not responsible. The party that is directly responsible is the government. The government is presenting plans to you, and this is part of those plans. This government bears its responsibility. This government bears in mind the confidence given to it by His Majesty the king and the people through their representatives. The government tells you that it will exercise its responsibility and fulfill its trust to correct the imbalances and undertake development efforts toward a better future to overcome all mistakes and solve the problem of indebtedness. If you want me to relinquish my responsibility and assign new responsibilities to the citizens, then this is a different issue. However, we as a government face our responsibility honestly, and this is the main issue. There will be no lifting of the bread subsidy without supporting the citizens in return for this decision. Yes, Mr. Sultan [al-Hattab].

[Al-Hattab] As a matter of fact, we always like to see correspondence between preliminary facts and the final outcome. Our concern is not about the measures taken by the government. This is natural. Any government takes measures. However, we are concerned about the implementation and its mechanisms. There were several examples when excellent positive national decisions were made, but the decisions were turned upside down when they were implemented. We fear the implementation mechanisms. The issue of the loaf of bread cannot be postponed. Any issue can wait, except for this one. We are afraid that as implementation mechanisms develop, there will be obstacles that will render positive decisions negative. Therefore, I hope that special attention will be given to implementation mechanisms. These mechanisms should be studied carefully and in advance.

[Al-Kabariti] Brother Sultan, this government did not let you down, and I assure you that it will not let its people down. Let me explain the mechanism. We will pay the difference in the price of bread to all civil servants—the Armed Forces and the government—through a cost of living allowance. This will become part of the state budget. There will be legislation to show that there is a cost of living allowance equivalent to the percentage we will pay to the citizen: 1.28 Jordanian dinars for each member of the family regardless of age. Those who do not work in the public sector and the Armed Forces, and those who have ration cards will be paid through the Supply Ministry or the Jordanian Banks. Those who do not have ration cards—in this regard let me stress that we will not exclude anyone in the camps, as well as the Gazans who are the sons of the homeland. We will enable them to benefit from the compensation—should apply for them. We will not lift the subsidy before completing discussion on these applications and giving them ration cards to enable them to get their cash, whether through the Supply Ministry and supply centers or the Jordanian banks. All of this will take place before making a decision to increase prices. Thank you.

[Correspondent] I have two questions: The first is on lifting the subsidy. Will it take place through the House of Representatives in accordance with a law issued by the government, or will the government make a decision without consulting the House of Representatives? The other question is that the people expected much from Israel after the signing of the peace process. However, some political circles believe that Jordan should have told the debtors, the IMF, the United States, and the Western states that it will sign the peace treaty in return for solving its economic problems, and perhaps writing off its debts, and consequently, for achieving security, stability, and real peace. What is your comment Mr. Prime Minister?

[Al-Kabariti] These are many questions in one. The answer in brief is that when Jordan signed the peace agreement—and I was head of the [House of Representatives] Foreign Affairs Committee, and not a government official, and my statements in this regard were clear—it joined peace because it was actually a strategic option. We achieved peace for political and security considerations connected with the homeland's future. We did not join the peace process in return for bills to be paid by any side in the world. We used to believe that Jordan, particularly following the occupation of Kuwait, entered a stage which could have put it in a grave danger. Praise be to God, we have managed to overcome that stage through many policies and measures. The democratic atmosphere and freedoms in Jordan contributed to the success of our efforts in this regard. Peace for Jordan has never been connected with bills, but it was governed by strategic political and security considerations that are connected with the future of Jordan. We should not examine this issue apart from the situation we were in when we made that decision.

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Concerning the loaf of bread and the subsidy, your question is general; once again, I say that you can find the answer to it in the statement I made. Thank you.

[Correspondent] Mr. Prime Minister, the news media today said that Jordan will get $1 billion within the next three years. I would like to ask: Is this amount of money from the donor states to Jordan a result of its implementation of the economic reform program, including the lifting bread subsidy? My question also is: Do you think that this amount of money will reflect on the economic situation in Jordan in general, specifically on the bread issue? Another question is that the newspaper Al-ASWAQ wrote today about wheat planting in the south. It seems that this is a very sensitive issue to the Jordanian economy. Why should there not be encouragement of investments in the southern region, especially since water is available there, and consequently, large quantities of wheat can be secured as long as one donum can give 700 kg?

[Al-Kabariti] The amount allocated in the budget for subsidizing the foodstuffs, which is 38 million dinars, was not meant only to subsidize wheat, sugar, rice, and milk, but also to aid the Jordanian farmers. The government supports Jordanian wheat farmers. It also purchases wheat from them. We increased the prices as a cabinet decision a month ago. We support Jordanian agriculture, and we will continue to subsidize Jordanian wheat planting. However, there are technical measures, technology, and details we cannot discuss now. For example, the irrigation of farms in the south from the al-Disah water costs 155 dinars per one tonne for pumping purposes only. Consequently, we purchase wheat from them for 200 dinars. We calculated not only the cost of energy, but also the cost of fertilizers, planting, and the wheat cost. Therefore, there are many details related to this issue. Jordan's need of wheat is very big. It should basically be around 400,000 tonnes. We import 660,000 tonnes. The local production does not exceed 7 or 8 percent at the most.

The question of the meeting during which the issue of helping Jordan was discussed—the donor countries meeting that convened in Paris over the past three days—studied the Jordanian economy, its performance, and the Jordanian economic readjustment program. All of the experts and politicians of the countries that support Jordan economically and financially studied the Jordanian economy. Their assessment of its economic performance was excellent. Thus, there were two decisions. The first was to reiterate the commitment to assist Jordan in bridging the financial gap resulting from the difference between Jordan's exports and imports, or what is called the investment gap. They earmarked 600 million dinars for this year and 400 million for next year. Most of these funds are loans, some with easy terms and others at commercial prices. There are some grants. All of these amounts are programmed into the budget. We believed that if we abided by the readjustment program we would obtain these amounts. We emphasized to the donor countries before the meeting that Jordan will remain committed to the readjustment program. Therefore, the decision was to continue supporting Jordan as long as Jordan abides by the national readjustment program.

Just a reminder: In 1989 the budget deficit was 20 percent of the national income. Now we talk about a 3.8 percent deficit. This is one of the results of the readjustment program. Inflation was 20 percent, and it is now at 7 percent. Annual growth was minus two. We now have a 5 to 6 percent growth rate, and in 1992, it reached 11 percent. The economic readjustment program yielded positive results. These results are substantiated by figures and statistics that are internationally acknowledged. I believe that everyone who knows how to analyze figures and everyone who makes an assessment on the basis of facts, will find that our program is based on the attainment of self-sufficiency. It is a national program that helps Jordan stand on its feet and achieve self-sufficiency.

[Correspondent] First, thank you for your continued dialogue with the press. I have several questions. The first question: Is it true that the decision to float the price of bread was made by the previous government and was supposed to be implemented on 1 January 1996? The second question: Ambiguity still shrouds the methods of payment to the citizens. Not all the citizens are government employees, army members, or pensioners. Others do not have ration cards. How will this subsidy reach these people? The third question: The man in the street fears that price hikes will spread. In other words, the people believe that even the price of a falafil sandwich will be raised. The citizen says that he will receive compensation only for the subsidy lifted on bread, but as prices in general will also increase, he will be the loser as he will not get a subsidy for the other items. How can price increases be controlled? We also would like more clarification on the methods of payment?

[Al-Kabariti] Adherence to the readjustment program takes place through what is called the letter of intent [preceding three words in English], which the government signs and sends to the World Bank and the IMF.

When the government prepared the budget and earmarked 38 million dinars as subsidies to basic commodities and to support the Jordanian farmers, the government knew very well that this amount was not enough

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to provide them with the required support. Even at that time when the figure of 38 million dinars was earmarked, if we had calculated the actual cost of the subsidies, we would have come up with a figure in excess of 83 million dinars. Yes, the previous government, of which I was a member, pledged to pursue the readjustment program and to take measures on water and electricity and subsidies for basic foodstuffs.

Once again, the plan I have made is not for lifting the subsidy. It is a plan for maintaining the subsidy, but without referring to foodstuffs subsidies in the budget. This will meet our obligations to international institutions. However, more important, the plan will not burden the citizen with any additional costs as a result of the measure that will be taken. The mechanism of repayment must be clear. I know that this is an issue that concerns citizens. For those working in the public sector, the issue is settled. For them, there will be an increase in the cost of living allowance. Bachelor employees at the Armed Forces....[Al-Kabariti interrupted; announcer says King Husayn enters the news conference room]

[Al-Kabariti] Your Majesty the king, we welcome you on behalf of the fourth estate—the journalists, the conscience of the people. They represent the people's fears and hopes. Sir, the dialogue so far has been extremely positive and responsible. We are very much interested in relaying the government's message to the journalists, who are the conscience of the people. This message reflects responsibility, trust, and commitment to the trust your majesty the king asked your government to carry. I warmly welcome you, sir, on behalf of everyone here.

[Husayn] May God bless you.

[Al-Kabariti] If you would allow me, sir, [words indistinct]. Regarding the mechanism of compensation for public sector workers, I believe that the issue is now clear. Regarding those working in the private sector, most of them—70 percent—are holders of ration cards. Through the ration cards, cash payments will be made to them either through the Ministry of Supply or through Jordanian banks. Some do not have ration cards, specifically those living in refugee camps and the Gazans. Those can apply for compensation. We will not lift the subsidy or take any measure before coupons are issued to them so that they can obtain their cash payments through the Ministry of Supply or Jordanian banks. I believe this is clear now. Regarding the expected increase in the prices of sandwiches and other related items, the issue is clear. We want to subsidize citizens' allocations of wheat. Sandwiches, cookies, noodles, and macaroni are part of this. We have not calculated Jordan's consumption of bread, but of wheat. Consequently, citizens will be compensated for their consumption of wheat, not bread. All these matters have been taken into consideration. Therefore, if the prices of sandwiches go up five or 10 fils, this increase has already been calculated within the allocations. Not even this increase will have any effect.

[Faraj] Caroline Faraj from AL-RA'Y daily. Average citizens are convinced that the decision will be implemented, but the problem lies in the mechanism. Citizens ask: Can the government bridge the gap of communication between citizens and officials so that citizens will be aware of these measures, which were decided in 1989? These measures are part of a continous process. Everyone of us knows that. Can we now reassure citizens that this will not lead to verifying the rumors about the dinar exchange rate? Quoting you, Mr. Prime Minister, those practicing one-upsmanship are spreading the idea that the Jordanian dinar will be devalued before the end of the year. Can we reassure the people? Thank you.

[Al-Kabariti] The problem is not in the mechanism. I believe this matter has been settled and the mechanism is now clear to everyone. The problem lies in credibility. Yes, we admit that there were certain practices and that the government did not do what was required of it regarding some rationalization and reform measures. Once again, we say that the solution is through legislation. We reassert that there will be a cost of allowance increase. This increase will be calculated according to the highest rate that bread prices can reach. This does not necessarily mean that bread will be sold at the highest rate. Various kinds of bread could be made. They could be sold at 180, 170, 190, or 240 fils per 1 kg. We have set a maximum rate of 250 fils that we are committed to subsidize. Any extra money will go to citizens. If prices go higher than 250 fils, then, once again, I assure you that the government is committed to compensate citizens for any loss that might occur as a result of this floating. We believe no loss will be incurred. Rather, the mechanism that we have explained will lead to benefits.

Regarding the Jordanian dinar exchange rate, this rate is linked to the performance of the Jordanian national economy. I was quite clear when I referred to the equations and the figures that confirm that the national economy is in good shape and that this situation and performance should be maintained. That cannot be achieved without continuing the economic reform program. Therefore, I do not believe that we should have any fears about the Jordanian dinar exchange rate as long as there is commitment to Jordanian national reform program.

[Hawamidah] I am Musa Hawamidah from the newspaper AL-DUSTUR. I welcome His Majesty the king on

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this beautiful day on which he honored the Jordanian press, and I thank him very much.

The prime minister said the press is the people's conscience. From this premise, we should be true to the leadership and the government. All strata of the people, sir, reject raising the bread prices, and they fear this increase, which will affect all walks of life. They say: If the government had been serious about fighting corruption instead of making tax reforms that eased the taxes and cars' customs duties, the government would have saved much money and the bread would have continued to be subsidized until now. They also say: Perhaps, the government yielded to the IMF, so it wants to raise the bread prices.

To be honest, however, and in the presence of his majesty the king, we say: All strata of the people reject raising the bread prices. We hope that the government will search for another mechanism to end this problem. Thank you very much.

[Al-Kabariti] Brother, once again it seems that there is insistence by everyone not to listen to what the government says and to listen to echoes and distortion inside his mind. In other words, I may have given an answer, and you continue to focus on raising the bread prices. There will be an increase in the subsidy paid to the Jordanian citizens. All that is proposed in the government's program is to change the method of subsidy for reasons related to the economic reform program, to rationalization, and to giving subsidy to those deserving it.

There will be no increase in the bread prices but there will be lifting of the bread subsidy in order to compensate for floating the wheat prices. There will be a lifting of the bread subsidy, and the citizen will be paid the difference in prices, and this difference will exceed the increase in prices. Please, the issue is again one of lifting the subsidy in order to compensate for floating the prices. The percentage defined by the government exceeds the increase resulting from the floating of prices. I hope you will ascertain this when I present to you the detailed figures as soon as possible through a written program.

[Dib] Layla Dib, from WOMEN'S FEATURE SERVICE. With the permission of His Majesty the king, Your Excellency the prime minister: There is something that can negatively backfire on the citizen. For example, has the government taken into account the Egyptian or non-Egyptian foreign workers who receive bread or flour from the Jordanian citizen? This will be negatively reflected in that this group of workers will demand a raise in their salaries.

[Al-Kabariti] My basic responsibility is toward the Jordanian citizens, and I will continue this policy. The issue is not one of increasing the prices for the brother foreign workers in Jordan. The issue is more important and serious than this. I hope we will not mix things up or give them pan-Arab dimensions.

When you go to Syria, do you pay in dollars or in Syrian pounds? Regarding the exchange rates in Syria, you encounter an encouraging rate, a customs rate, a touristic rate, and four different rates because you are not a Syrian citizen.

In any country, there are considerations. The first consideration is the Jordanian citizen. Yes, the foreign workers will be affected, and there are measures that could affect the foreign workers. We will take measures that affect the foreign workers because replacing the foreign workers with Jordanian workers is among the government's basic policies.

[Dib] I meant to say: How will this be reflected on the Jordanian citizen... ?

[Al-Kabariti, interrupting] This will not be reflected on the Jordanian citizen in any way whatsoever. I believe that increasing the cost of the food of foreign workers will not exceed 1.28 dinars a month, which is a very limited increase.

We are talking about families with five, six, and seven members. The average number of family members in the Jordanian people is 5.6 members. A foreign worker will face an increase of 1.28 dinars a month. I believe this is not a big increase.

[Correspondent] As part of easing the burden on the state's treasury, why do not the institutions in the private and public sectors, as well as the banks and large companies, pay the difference in prices to their employees, in addition to their fringe benefits, so the treasury will later pay this difference in prices to the civil servants, the Army, and other citizens?

[Al-Kabariti] This is another possibility, and we studied it. Out of emphasizing its credibility, the government will commit itself to the entire costs. When these companies want to play a role in the national contribution to this program, we will not mind paying this difference to the honorable Jordanian workers. Thank you.

[Correspondent] Mr. Prime Minister: A few days ago, you had an unprecedented meeting with the House of Representatives on this issue. My question: Have you received concrete suggestions from the deputies to solve the problem of the financial deficit regarding the subsidies of food supplies, or is it that the discussion was confined to some appeals and political speeches? The

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second part of my question has to do with the financial gap in the state budget to which you have referred, estimated at $800 million, as I remember. How does the government plan to close this financial gap, especially since the stage of easy aid is apparently over?

[Al-Kabariti] Regarding the consultations and deliberations at the House of Representatives, I want to state clearly that my consultation with the House of Representatives was not meant to involve them. If the government makes up its mind and decides to do something, this does not necessarily mean bypassing the House of Representatives. What we are saying is that there are commitments, and there is a trust and responsibility that the government wants to fulfill. The Jordanian Government is fully responsible for this decision. We only want the House of Representatives to understand the facts and realities that prompted the Jordanian Government to take such a measure. As for the financial gap, I explained in detail what happened at the donor nations' conference in Paris. We believe that as a result of Jordan's democratic performance, reform efforts, and moderate political performance, the international community will support us. The international community pledged 600 million [currency not specified] yesterday for this year and 400 million [currency not specified] for next year, God willing. This is the larger part in dealing with the financial gap, which must be addressed but cannot be addressed without the support of the international community and international financial institutions. Therefore, there must be a clear and unambiguous commitment to a structural reform program so that we can ask these communities to help us. They cannot help us if we do not help ourselves, and this is part of our helping ourselves.

[Correspondent] We welcome the leader of the homeland and sponsor of the march, His Majesty King Husayn. Thank you, Your Majesty, for visiting us here. We welcome you and wish you a long life. God willing, you will continue to be our leader and beloved one. Mr. Prime Minister: Jordan's underground water is exploited by several neighboring countries. For example, Israel exploits the Wadi al-'Arabah water; Saudi Arabia exploits the water in southern al-'Aqabah; the water in al-Azraq is exploited by the neighbors in al-Qurayyat. The question is: Has the Jordanian Government thought about exploiting this water, since it prevents Jordanians from exploiting water and digging artesian wells for agricultural projects? Has the government thought about allowing farmers, or establishing agricultural cooperatives, to dig for water, to grow wheat, cane sugar, or anything else we can? This is a difficult time, and we appreciate your responsibility and that of the ministerial team in running the affairs of the country. We know that it is not in your hands, that the situation is difficult and that there is no foreign aid, and that one country is dominating the world and plundering all its resources. Has your government thought about digging for this water and growing wheat instead of lifting subsidies?

[Al-Kabariti] There is a severe water crisis. There is a need for drinking water and water for irrigation. The main problem lies in providing drinking water. Regarding water used for irrigation, as I explained in detail when I spoke about al-Disah water, the issue is not that of drilling a well and finding water. You have to pump this water to the field. The cost of the necessary energy for this is 155 dinars. There is something called economic feasibility studies. We do not believe that if we grow wheat at a cost of more than $300, this will support the necessary reforms, through the implementation of the concept of food security. The world is a small village. I prefer to buy wheat at the price of 160 dinars rather than grow it and create an additional cost for the treasury that totals 100 or 120 dinars. Yes, there is an integral Jordanian plan to address the water crisis, in cooperation with neighboring countries. We are developing this plan, and we may explain to the brothers in other meetings all the plans that will be carried out by the Water Ministry in the future to rationalize the use of water, find alternative and new water resources, and recycle waste water and use it in agriculture. Yes, there are creative and innovative ideas the government is working to implement. We need time and financing. We have time, but financing requires structural reform programs to be able to achieve what is required of us. Thank you.

[Correspondent] With His Majesty's permission, Mr. Prime Minister, in your meeting with the Senate members in the Portrait Gallery [in parliament], you mentioned that the waste in the funds used for subsidies has specific causes such as the tourists, foreign labor, the livestock breeders, and smugglers. Why can we not tackle each cause separately without resorting to such doubtful methods, which if implemented by your government may not necessarily be implemented by subsequent governments? For example, we can impose fees on foreign labor and tourists. We can seek solutions to the smuggling problem and check some aspects of extravagant spending. Also, do you not believe that it will be difficult for the citizen who does not work for the government to go to a certain place to get 1.28 dinars at the end of every month? Do you also not believe that increasing the price of bread and the adoption of such a method will make the economic readjustment program take a certain course at the expense of economic and social priorities?

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[Al-Kabariti] Let us not exaggerate things. Does not every person who has a ration card take the amount of sugar, rice, and milk that is earmarked for him? Does not every person go to get his salary every month? I am telling you that this will be a cost of living allowance that he will receive. It will be like all the other allowances, such as the travel allowance, transportation allowance, and hardship allowance. A law will be passed, and not a government decision, guaranteeing this right for all the government employees and the members of the armed forces forever. As for the other citizens who have a ration card, do not they go every month to the Supply Ministry and the supply centers to get their dues? We will pay all those in the [refugee] camps who do not have these ration cards through the supply centers and the banks. This method has been studied well and will not result in any additional cost. Brother, this is the issue. We will also study all the measures you have mentioned because, as I said in English [not further identified], we are speaking of savings of no more than 54 million dinars while the deficit is 100 million.

Yes, there should be rationalization and new measures. Yes, I promised at the beginning of the meeting that there will be government decisions to squeeze expenditures and check waste in all fields, and in all the ministries.

[Correspondent] Mr. Prime Minister, we thank you very much for this session of frank dialogue. As members of the press, we also should be frank with the government, and in the presence of His Majesty. It is clear that there are two kinds of opposition against the decision to lift subsidies on bread in exchange for paying a certain sum to the people. The first is the political opposition which believes it is in its interest and as one of its priorities to fear for the daily sustenance of the citizen as does the government. This opposition explains why it rejects any increase of the price of bread. It does so because the Jordanian people, as yet, do not have a clear picture about the methods you mentioned and explained today. The second kind of opposition is the one you said exercises one-upsmanship. You said that there are people who practice one-upsmanship and who care only for their own interests and not that of the homeland. It is clear you speak of ministers who wish to run for parliament or deputies who want to be reelected while they are convinced of the causes for raising the price of bread. There are also former ministers who were in former governments who knew that subsidies on bread will be lifted. In spite of this, they say that this is impermissible. Can you explain to us why they do this because you know more about this than we do? This is the first part of the questioa. The second part of the question: We now realize that the question is not that of 12 million dinars we will receive from the difference in the price of bread and the 53 million dinars from fodder. It is clear that Jordan has been committed to the economic readjustment program with the IMF and the creditor banks and countries since 1989. Suppose the government does not lift subsidies on basic commodities, including bread. Will there be a danger that the economic readjustment program will be suspended and, consequently, the annual letter of good conduct the IMF gives Jordan for the Paris and the London clubs and the creditor countries? Could all of this entail economic consequences that would exacerbate the economic situation?

[Al-Kabariti] Let us first compare national readjustment and IMF readjustment programs, according to what brother Bassam [not further identified] has stated. Following the national readjustment, the price of bread in Algeria has become $1 a kilo, that is 700 fils. In Syria, following the national readjustment, the price of the improved loaf of bread that is similar to the Jordanian loaf has become 355 fils. There is no subsidy for either of them. We used to go to Syria to fill our cars with gasoline. Now, the Syrians come to Jordan for this. This is the national readjustment program. I briefly explained to you the results of the IMF readjustment program from 1989 to 1996, which is in line with the national readjustment program in terms of inflation, growth, exports, imports, deficit, and all of the international indicators and statistics that are adopted for the assessment of the economic performance of any country. This is what I wanted to tell you, my brother.

[Correspondent] Mr. Prime Minister, the successive governments have evidently not done what they should have done in this regard, something which has led to the current situation. This state of affairs continued until this government bravely assumed its responsibility in this regard. The question is: What if the government does not carry out this program? Thank you.

[Al-Kabariti] In fact, all previous governments met their obligations toward the reform program. Once again, I say that the reform program began in 1989 and led to the good results that we have mentioned. However, in most cases, there has been an evasion in dealing with the subsidy issue because the slogan that was constantly raised opposed any change in bread prices. In order to do what we were required to do regarding the subsidy issue, which is an issue that must be dealt with sooner or later, we came out with this formula that will turn the subsidy into an increase in the incomes of Jordanian citizens—not just Jordanian employees—in addition to the brothers in refugee camps who do not have family books or ration cards. I believe that if we manage to

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make this program a success, we can comfortably say that we will dedicate next year to a national building process free of extra costs in the structural reforms within the Jordanian national reform program.

[Correspondent] Mr. Prime Minister, Jordan was among those who preferred to give the new Israeli Government time. In view of the Israeli statements and stands, is more time still needed? Do you not believe that time has come to take a specific stand on Netanyahu's new extremist statements on the Arabs and peace process? The second question: When do you expect a visit to Saudi Arabia and Syria?

[Al-Kabariti] I believe that it has been decided that His Majesty the king will visit some Arab countries, including sisterly Syria and Saudi Arabia. The dates for these meetings will be set through His Majesty the king's personal contacts, which he regularly and constantly conducts with his brother Arab leaders. Regarding the Israeli position and the new Israeli statements, we expect Mr. Netanyahu to visit Jordan soon—maybe next week. We believe it will be an important visit. It will not be a ceremonial visit. We will tell Netanyahu that Jordan is worried about emptying the peace process of its basic content, which is the land-for-peace principle and the Madrid terms of reference, to which all parties, including Israel, agreed.

We agree with Mr. Netanyahu that peace must be durable and that we must provide the conditions of durability for it. However, we believe and will tell Netanyahu that in order to provide the conditions of a durable peace, peace must be just and comprehensive. We agree with Netanyahu that there is no peace without security. However, we will tell Netanyahu that there will be no security without a just and comprehensive peace. Netanyahu's statements include many positive elements in terms of his commitment to all agreements signed with Arab parties and in terms of his commitment to resume the peace process. However, there are negative points and an insistence on hardline positions on topics we believe to be sensitive issues that must be subject to negotiations between the Palestinians and Israel in the final status negotiations, specifically Jerusalem and settlements. These are issues that we will discuss with Netanyahu. Our stands will be clear. Once again, time might be needed.

It is common knowledge that when new administrations take office, some substantial or cosmetic changes have to be made. However, when a negotiating party enters into negotiations, it raises its maximal position [preceding two words in English]. There are stands that can still be regarded as maximal position stands. However, when the negotiators sit at the negotiating table, perhaps the situation will change, and we hope it will change. In the final analysis, we believe that the peace process is a continuous process and that it is the irreversible option of the peoples of the region. I do not believe that anybody, neither the Arabs nor the Israelis, can evade this inevitable fact. Thank you.

[Correspondent] Your Excellency, the prime minister: As part of the freedom of speech, some, including me, blame the government for speaking many words but doing little. My question is: Has the government succeeded in implementing its policy statement? Has it succeeded in improving the economic situation in the country? Has it succeeded in bringing views closer between the Arab brethren? Thank you.

[Al-Kabariti] Any question either states facts or inquires about something, but this is a kind of question that states facts. In other words, you say: This is my position, your excellency the prime minister, and I do not believe that you did anything.

Perhaps you are the first one to receive the accomplishments of the policy statement that could answer your questions, brother. [laughter] God be praised, we are carrying out our responsibility with much confidence and honesty. All we hope is that you too—as we rely on you as a speaker for, and as the conscience of, this people—will play your role with responsibility and honesty as part of the criterion of honor that governs journalism. Thank you.

[Correspondent] Your Excellency: Two days ago you had an unprecedented meeting with parliamentarians in Jordan. What do you fear in this critical time? Is there a role in communicating the message between the government and the people, in communicating the people's message to the government? How effective do you think that was, and what do you think is the future (?role)?

[Al-Kabariti] In all honesty, I admit that there might have been some misunderstandings, that there might have been some misinterpretations concerning the program I made available to the parliamentarians. I guess that now, with the program being explained in detail and with making sure that there is no reason for anyone to worry about the mechanism of compensating the Jordanian citizens regarding floating the prices of wheat, I guess that things will be understood and it will be understood in a very positive way that will allow the government to go ahead with its reforms needed for our economy to pick up again.

[Correspondent] Can you repeat in English what you said about Netanyahu [words indistinct]?

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[Al-Kabariti] All right, I will repeat it. While Mr. Netanyahu's statements included certain positive elements with respect to his declared commitment to all prior agreements reached, as well as his commitment to resuming peace negotiations, he also expressed a negative and hardline stand on issues that have to be resolved in final-status negotiations, particularly the issues of Jerusalem and settlements. Mr. Netanyahu will pay a visit soon to Jordan. Perhaps, as early as next week. This visit will be very important, one where we will express our concern as to any attempts to deviate from the principles set in Madrid and agreed to by all parties, in particular the principle of land for peace.

While we agree with Mr. Netanyahu that peace has to have the proper conditions for it to be durable, we strongly believe that such conditions can only be met through a just and comprehensive peace; and while we agree with Mr. Netanyahu that peace and security are to go hand in hand, we strongly believe that there will be no security without peace, a peace that should be a just and comprehensive one. Thank you.

[Correspondent] Your Excellency, the prime minister: A few days ago, we read a report that Egypt began to produce cornbread. Is there any possibility of replacing wheat or finding alternatives to wheat to ease the financial burden as a result of the increase in the worldwide prices of wheat?

[Al-Kabariti] There is an austerity program in Israel and a reform program in every Arab state neighboring Jordan, including Egypt, which is now studying the possibility of providing a new popular bread by adding new ingredients to the basic components.

Perhaps there are Jordanian bakeries that provide various kinds of bread with different prices, and the citizen can choose to buy any of these kinds. As I said, the prices could be different, ranging from 8 to 25 piasters [per kg]. Our subsidy is up to 25 piasters [per kg]. The difference in the prices of any purchases by the citizen below this limit will go in his pocket.

Yes, it is possible to produce bread with reasonable prices and with ingredients whose nutritional value is not less than wheat. Thank you.

[Correspondent] Can the government's austerity program be explained?

[Al-Kabariti] God willing, we will present this program in an integrated way as soon as possible when every minister presents proposals with regard to his own ministry.

[Correspondent] Through its official spokesman, the Islamic bloc at the parliament said that it will withdraw confidence in the government if it goes ahead with its bread policy. The official spokesman called on the other deputies to adopt the same stand. Now that you have met with the deputies. My question is: What will the government's stand be if the parliament insists on rejecting this policy?

[Al-Kabariti] I believe that my relations with the Islamists are distinguished in terms that we always have open channels of communication and dialogue. I do not believe that there is anything new in the issue of withholding confidence from the government by the Islamists because they basically did not grant a vote of confidence to the government. [laughter] Consequently, we are not concerned with this issue.

[Correspondent] They instigate the other deputies.

[Al-Kabariti] Our concept of leadership is different from that of some sides. We believe that leadership is a responsibility. If the leadership's activity is confined to instigation, we believe that this is a betrayal of trust and responsibility.

[Correspondent] Mr. Prime Minister, the question is about the Amman Stock Exchange. In reference to a visit you made earlier to the stock exchange and to the discussion that was held during this visit, has the high-interest policy adopted by the Central Bank of Jordan achieved its objectives?

[Al-Kabariti] We believe that Jordan's hard currency reserves are at the desired level and at the level of the objectives set for them since the beginning of the year. We believe that what is taking place at the stock exchange is a reflection of a mental and psychological state connected with a host of conditions that are not necessarily economic or financial. We are waiting for the situation to become clear, particularly regarding the peace process, so that we will be able to restore confidence to all the sons of this region to make them invest in the atmospheres of peace that will reflect positively on all the region's economies, God willing.

[Correspondent] I want to ask two questions. The first question is on fodder. Everyone concentrates on the bread issue, although fodder is as important as bread. Moreover, the fodder issue is exploited more than the bread issue. Jordan is now used as a regional center for the fattening of livestock. The redistribution of subsidies includes fodder. What effect does this have on the issue of the restructuring of economy? The second question is the university fees issue. Fees for the M.A. students have been increased. The salaries of the resident doctors at the University Hospital decreased by half, despite the fact that in every other country they are considered not students, but employees who reside in the hospital. It is

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a question and a request at the same time to give fair treatment to these doctors.

[Al-Kabariti] Regarding the universities and university fees, the truth is that it is not a government decision, but a decision made by the Higher Education Council. Those who benefit from the university education programs in the post-graduate studies, constitute a small segment. However, the government is ready to study this issue and to discuss the possibility of extending a kind of aid to the needy students who want to continue their postgraduate studies. We will study the issue and reply to this through the known news channels.

Regarding fodder, you have answered half of the question, in the sense that Jordan has become a center for fattening cattle. This is done by buying bread at its current prices and by making use of the subsidized prices of fodder. There are 37,000 Jordanians registered with the Ministry of Supply as cattle owners. Over 20,000 of them have less than 100 cattle each. Therefore, subsidy will go to anyone who has 100 cattle or less. But for Jordan to turn into a transit station, and not a base for raising cattle, and for us to allow some exploiters and ill-intentioned people to receive 15 dinars for smuggling sheep after fattening them in Jordan, our answer is no. We do not mind Jordan becoming a transit station, but the cost will be paid by the merchant who wants to move his trade and cattle from one country to another. He has to pay the cost. We will allow imports at a fee of 5 dinars. We will open the door of exports for Jordanians at a fee of three dinars to prevent exploiters and ill-intentioned people from taking advantage of this. This will apply to all Jordanians who raise cattle so that it will not be monopolized by anyone in this good country.

[Correspondent] It was suggested in Turkey that the Ottoman Union [al-ittihad al-'uthmani] be revived. How does Jordan view this suggestion?

[Al-Kabariti] We look forward to a meeting soon, God willing, with the new Turkish prime minister, who won the parliament's confidence. We also look forward to a visit soon of Turkish officials to Jordan. You are fully aware of my position on Arab-Turkish relations and the need to enhance and bolster these relations with the friendly Turkish state. We are fully confident that we should use the potential to establish closer political and economic ties with Turkey, and all Arab countries should benefit from this.

[Correspondent] It is clear from this meeting that a plan is going to be implemented. How much time is needed to activate the mechanism of implementation of the subsidy decision?

[Al-Kabariti] New legislation will be announced, including the salary increase of civil servants and members of the Armed Forces. The raise will compensate for the floating of prices. This legislation will be a cost of living allowance. We will give this legislation a name to be chosen by Jordanian legislators. Then we will issue new cards for those who do not benefit from Jordanian ration cards. When the picture becomes complete, the government will implement this plan. I do not know how long this will take. However, we are determined to carry out our responsibilities and fulfill the trust of His Majesty the king and the people.

[Correspondent] You have spoken about tourists and about the cost of living allowance for civil servants and military personnel. You also spoke about rich people in Jordan. My question is about rich people. Has the government defined who a rich man is? We do not want what happened regarding the sugar and rice ration card to be repeated. The government said that everyone who receives more than 500 dinars a month will not be given a ration card.

[Al-Kabariti] Those who already have ration cards are the people whose salaries are less than 500 dinars. Those people will definitely receive the proposed allowance. Anyone else who applies to take advantage of this allowance will also be given this allowance. It is up to the Jordanian citizens to decide whether they are well-to-do or needy. I think there is enough national awareness that will prevent people who have a high income from taking advantage of this allowance. Thank you very much.

Jordan: King Discusses Domestic Issues, Bread Prices

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[Speech by Jordan's King Husayn at a news conference held by Prime Minister 'Abd-al-Karim al-Kabariti in Amman on 11 July—recorded]

[FBIS Translated Text] First of all, I am very happy to have this opportunity to attend this meeting, this discussion between my brother the prime minister of the Hashemite Kingdom of Jordan and representatives of the Fourth Estate in this beloved country. I am happy about the prevalent atmosphere of candor and the dialogue which we want to be constructive. To make it so, everyone must reconsider his stand and his convictions, and put things in their right place. Therefore, I must talk about this country and its march, returning to its early history.

In fact, under all circumstances, man has been valued because of his awareness, determination, and his work

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and the principles he inherited from his fathers and forefathers. He is valued for his continuous sacrifices as a pioneer of his nation in all fields.

We also talk in figures. However, in this world if we look at the suffering of our displaced people who arrived in this country—in other words, the so-called refugees—we can say that more than any other country in the world, this country has born the greatest burdens and carried out the heaviest duties, in terms of material burdens. However, we are not talking about refugees or displaced people but of our kinsfolk and brothers in this country and its unity which is above all other considerations. We will continue to share the loaf of bread, and this expression may be more pertinent on this occasion than on any other occasion.

We talk about our position which imposed on us responsibilities and duties. In previous years, we were along the longest line confronting dangers. In my view, in this country we have the elite of the Arab soldiers, in terms of their loyalty, discipline, training, preparedness and work.

We have limited resources. The material resources in this country are limited, starting with the average rainfall on this land and the underground waters, as well as all the resources which we have been deprived of and of which our brothers enjoy.

I feel really sad, in this life, to see any of us in this country in need of anything. If it were possible, we would have provided everything for our citizen. Indeed, we sought, ceaselessly, to arrive at this goal. Otherwise, we would have been finished a long time ago. When the British-Jordanian treaty expired, this country had to carry a great [financial] burden, which was a great burden at that time, but it is nothing compared to today, to meet the needs of its armed forces, which were not defending Jordan alone, but also the nation in the most dangerous position. We received many promises, but those who fulfilled them were only a few.

Those gray hairs are not new, folks. There were times when a prime minister would come to me in the middle of the month to say we do not have money to pay wages at the end of the month. We would then start moving, make contacts, and use every possible means to secure our needs and cover the wages for the month. This happened on several occasions in the past.

Praised be God, we concentrated on education, health, transportation, and on everything we could concentrate on to provide our citizens with the opportunity to be creative and to live a dignified life on his land and to contribute something. Our young men also traveled abroad to work and to assist in the process of building this country.

This story is not something new. It is part of the continuous problems we faced in 1948, 1967, and 1990, and many other problems on the domestic level. Some of these problems were related to the people's feelings — and we are among them — that we are part of the greater Arab homeland and inheritors of the Great Arab Revolt. This made some look at this or that part of the greater Arab homeland before looking at the spot on which they are standing and before applying resources in the service of this spot so that it can become a useful, strong element in the single, greater body.

In a discussion with brothers recently, I said no issue is raised arbitrarily or without deep consideration, examination, and hard work. Our final objective is to arrive at a situation that is most certainly hoped for by everyone in Jordan. It is a situation where we can stand on our own feet and not need anyone. This requires hard work. Nothing can be achieved without hard work, sacrifices, and cooperation. This is a good country. It has something to say and can do something that goes beyond its boundaries to serve the greater Arab homeland through words, deeds, and commitment.

Look at the picture and the changes around us. The Palestinian brothers on their national soil are receiving our full support and backing. They will continue to receive this support without any hesitation on our part. We will do everything we can to help them regain their rights on their national soil. However, at the same time, any defect that might occur here will completely change the equation. So instead of the issue being one of Palestinian rights on national Palestinian soil, the cards will be reshuffled, and the region will face a new situation.

This country is constantly threatened. Its steadfastness, survival, and duration depend on you—the children of this homeland—and me. This also depends on our resolve, awareness, readiness to make sacrifices, forbearance, patience, and faith in our inevitable arrival at our aims and objectives. Neither this government nor the one that preceded it are responsible for what has happened. You know that we relied on the Baghdad summit resolutions, which promised to provide sufficient support so that we could continue to build our defenses in the face of the danger posed to this nation. At that summit, the process was supposed to be repeated annually so that unfolding events would be discussed because nothing is constant. We discussed and agreed on a specific formula to tackle our immediate instant needs. However, the meetings did not recur, and many parties shirked their commitments, thus reducing the aid

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that we had been receiving. Ten years later, aid stopped altogether. Meanwhile, the equation with regard to Jordan, the Arab world, and the danger did not change. Rather, the situation may have increased and become more dangerous. It is no secret that this country used to incur commercial debts to pay for the weapons it purchased for our Arab army, which defends its nation alongside its brothers in the most dangerous areas. That is the background. That was the burden and its causes.

We can never fail to come to the assistance of our people and brothers. In this country, we must share our loaf of bread as one family—both immigrants and supporters [Palestinian refugees and Jordanians]. Under the new situation, we can only continue to support our brothers and kinfolk. However, we must remember that a crack here means undermining the wall on which they lean and from which they seek support.

Another point is this: For people who want to solve their problems, this country, for one reason or another, has always been the weak link and all problems were solved at its expense. We have lived in a state of struggle and confrontation of challenges and difficulties throughout our life. We proved that with God's help, we will not collapse in the future because we have not collapsed so far. Even in the peace process, we were the third party to proceed to realize this peace, after sisterly Egypt, which worked and assumed the burden and then opted for its path. We then went to Madrid and provided the umbrella for our Palestinian brothers to enable them to discuss their own conditions in accordance with their own free will and the Rabat decision and its consequences. When they reached agreement, we looked into our own position and we regained our territory and our rights to water, trying our hardest and using our resources to achieve an honorable peace.

Many said that Jordan is Palestine. Imagine if we left things as they were: What would Jordan's position be now? This small country has been able to occupy its position in the world, respected and appreciated. Its word is respected because it defends principles and values and rights. God willing, this country will be able to offer more. If we have credibility in this world it is in serving our Arab nation's causes, the Palestinian cause, the cause of just and comprehensive peace, the cause of security and stability, and the cause of allowing our youth and people to live a life that we were denied. We have good raw materials. Let us give them the opportunity to build over the existing structure and to continue building, God willing.

We have had internal tremors. I do not remember the year—I think in the seventies. In 1973? I was discussing with a friendly country the financing of an arms deal with Jordan amounting to a huge amount of money. Suddenly, there was a move by one of our brigades, one of the best elements which I rely and depend on. This is because some parties spread rumors that the price of sugar went up. Of course, the problem was dealt with quickly and simply. I was forced to return. When I began demanding weapons again, they told me: When you put your army and your conditions in order, then come and discuss this matter with us. Thus, we lost the opportunity to modernize the army at that time.

This process was repeated in Ma'an, where 'Abdallah Bin-al-Husayn established his base, the first station in the building of this country. This time, certain groups and factions claimed that these events were the beginning of the change. In fact, the change had already been prepared and a decision had been made to return to parliamentary life and to democracy and its protection of freedom, press, the media, and human rights. All of this preceded this simple event that took place.

Therefore, I want to caution against acting without thinking, and against overreacting, which could have dire consequences, God forbid, or bad results at best. This would harm the country's reputation, image, and status at this critical stage. I support everyone who wants to move forward. We must raise incomes so that an individual can bear the lifting of any government subsidy. Therefore, this is the equation in this case. This is a prelude to reaching a situation whereby the government, or any future government, can provide what will help us achieve our hopes, dreams, and ambitions. We should provide opportunities and offer services. However, we are experiencing a very bad situation. The other day, we were discussing the letter of designation. The circumstances imposed this on us. We have a large government agency, which is often inefficient and not as active as it should be. We are pursuing a democratic march. The government cannot take a measure against any person because this person can go to court. Therefore, what we are talking about here does not concern this specific issue. It concerns the entire image. This requires that the deputies of the nation, the country's prominent figures, you, and all of us look for every defect, wherever it is, and detect every point of weakness, wherever it is, so that we can remedy the situation, develop, and achieve our objectives and goals.

Let me talk to you about the question of water. Water is a problem in this part of the world, not only in Jordan. Water must be a top priority among the topics that should be discussed within the framework of the entire region. We should try to take maximum advantage of all our available resources. The opposition in this case in particular has different reasons. By the way,

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I consider everyone my children, kinsmen, and loved ones. Perhaps there is opposition to a certain youth ministry, through which I sought to reach out to the youths, to our sons and daughters, to tell them: This old man is not apart from you, in your thoughts and ambitions. Let me get some people whom you would understand more. We appreciate those who shouldered responsibility and offered what they could. Therefore, it is not change, in the sense of change, or a quake, in the sense of a quake. Every brick we add to this edifice is placed on a previous brick. God willing, this edifice will become higher and stronger, in the full sense of the words.

There is also the issue of so-called political parties which are now concerned about national problems. Forgive me if I say that these parties themselves are the cause of national problems, in many cases. This is because party life in Jordan has so far not reached the required level, and we should all acknowledge this.

This huge number of parties is not a healthy phenomenon. With the passage of time and with experience, programs must be crystallized. People will rally around such programs with a limited number [of parties]. These parties will then assume responsibilities in terms of the people's confidence in them and in their ability to meet what the people demand and want.

I personally endured much in the past. However, the thing that I cannot digest is the attempt by some of this country's sons to harm the country, marginalize its role, make it small, focus on everything that is black, fabricate blackness in all walks of life, and express loyalty to those outside the borders of this Hashemite Kingdom of Jordan and outside this country.

This is the challenge. They want us to fail, but we will not fail. God willing, we will not fail. God is the sponsor of the march and the one who grants success. There are men, sons, and daughters in Jordan who have a degree of awareness that made Jordan endure.

They cast doubt on our positions. In a certain phase, we stood against the whole world defending a principle and what we believed was true. Does anyone deny this?

We now have a status and a role, and we work for closing the Arab ranks. Let us do our job. Some call for reducing the visits and meetings. If there had been no visits and meetings, where would we have been? You, the sons of this country—through what you have endured, through your steadfastness in this beautiful picture anyone in this world can see, and through your determination always to keep moving forward, God willing—are giving opportunities to this world, and I say again that the whole world is a large village, in the hope that the people will respond to us and extend help and support.

I mentioned the environment, for example, among the mistakes. So far, I have not been able to understand—and naturally some people have their own opinions on the mere acquaintance with the things around them—why a piece of land in the Jordan Valley on the other side [reference to Israel] produces 20 times as much as a piece of land on our side. Can anyone explain this to me?

Thus, there are things we must learn and take from others. There is a world to which we must be open. By God, others do not excel us in terms of cleverness, affiliation, or other fields. But let us open our minds.

By discussing the national concern while adopting a negative attitude against everything, how can bread and other things be secured? You are facing a condition which is not confined to us alone. We are part of this Arab World and part of this Palestinian-Arab march. We safeguarded this land and this pure, sacred area, and we will protect it and build on it.

Let the negative people leave us alone. Our National Charter and consensus stipulate that the majority's view will be the overwhelming view.

This man [Prime Minister al-Kabariti] is among the most daring and most sincere men I have known. By the way, I had him in my mind long ago. [laughter] He has a team, and we have to give them a chance to do their job. God willing, no one in this country will be needy of anything. Anyone who is harmed in one way or another will be compensated. The compensation will be paid before anyone is actually harmed. We are talking about a subsequent law which will be binding to the whole government and to the state.

Perhaps, the least that can de done in the phase of discussions designed to crystallize a final situation is to open our minds and to think with our minds and conscience. God willing, good is inside us and inside you. I am from you and for you. Thank you and bless you all. [applause]

Jordan: Paper Berates 'Arrogant' Netanyahu's Remarks in Washington

JN1107105596 Amman AL-DUSTUR in Arabic 11 Jul 96 96 p 1, 20

[Editorial: "Netanyahu Is Fomenting the Middle East"]

[FBIS Translated Text] Whether in his statements at the White House or in his address at the Congress, Binyamin Netanyahu left no room for those who listened to him both inside and outside the United States

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to continue to believe that he might depart from his hard-line policies. In Washington, he seemed as if he was embroiled an electoral battle that has not ended yet in Israel.

It is no exaggeration to state that the positions declared by Bibi Netanyahu in Washington are far more radical than all the statements he made in Israel since his assumption of power only a few weeks ago. This is an unprecedented escalation in the Israeli political positions, which used to be shrouded in a diplomatic language to conceal the reality of the Israeli intentions.

The only virtue Netanyahu demonstrated following his fiery address at the Congress yesterday is the clarity with which he explained the hard-line Likud approach. This leaves no room for placing incorrect wagers, having any illusions, using time as a pretext, or sticking to the reconciliatory statements which Netanyahu strongly, if not coarsely, rejected.

Therefore, Netanyahu's declared positions — which were received with the applause of the U.S. congressmen, and with the understanding of the U.S. Administration's officials — have once again pushed the Middle East toward a political confrontation that is open to all negative possibilities, including the escalation of violence and tension and the strengthening of the factors that may poison the atmosphere in the region and undermine the faltering peace process.

Accordingly, any future statements by Netanayhu on commitment to peace and the agreements that were signed and readiness to negotiate will not be accepted by all those who were disregarded by the Israeli prime minister, who announced intransigent positions regarding Jerusalem, the settlement drive, the Palestinian state, and the Golan. He showed infinite disregard toward international public opinion and toward the Arab world, both peoples and governments.

In light of all this, we call for a quick revision of the current Arab positions and policies, disregarding the hopes that were shattered by Netanyahu. These policies should also be rethought without frenzied positions, which may give the arrogant Likud leader new propaganda weapons that will justify his hostile and expansionist policies and all this extremism, which may start a big fire in the Middle east.

Jordan To Receive $1 Billion From World Bank

BR1107094596 Paris AFP in French 1928 GMT 10 Jul 96

[FBIS Translated Text] Paris, 10 Jul (AFP)—On 10 July Jordan's financial sponsors announced that they would be granting the country a sum of $1 billion (5 billion French francs) in credit, $600 million for 1996, to support its program of economic reforms and implement priority investment projects.

The announcement was made by Kemal Dervis, the vice president of the World Bank with responsibility for the Middle East and North Africa region, at the end of a meeting in Paris of the World Bank's advisory group for Jordan.

The World Bank has not given details of the breakdown of the credits awarded to Jordan, but merely indicated that one part will be dedicated to supporting the balance of payments, while another will go to investment projects in priority sectors, such as water and electricity.

The remaining $400 million could be staggered until 1997 or 1998, according to the senior World Bank official.

The donor countries were happy with Jordan's economic performance since 1992 and with its efforts to consolidate its currency reserves.

According to the senior World Bank official, the country has in particular succeeded in bringing down its inflation rate below 4 or 5 percent as well as reducing the instability in its balance of payments and budgets.

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Lebanon: Iranian Ambassador Rejects 'Terrorism' Charges

NC1107184796 Beirut Voice of Lebanon in Arabic 1615 GMT 11 Jul 96

[FBIS Translated Text] Iranian Ambassador to Lebanon Homayun 'Alizadeh has rebutted those who accuse Iran of terrorism. Following his meeting with scholar Muhammad Husayn Fadlallah, the Iranian ambassador said that if confronting the occupation is considered terrorism, then many countries are terrorists. He added: We are proud of our support for the Lebanese people and government in confronting the Zionist occupation. I wonder who are the terrorists? Is it us or the one who attacks civilians with warplanes and commits massacres? 'Alizadeh asked.

Lebanon: Hizballah's Nasrallah Vows To Resist Israel

NC1107182496 Beirut Voice of Lebanon in Arabic 1615 GMT 11 Jul 96

[FBIS Translated Text] Hizballah Secretary General Sayyid Hasan Nasrallah has emphasized that all the Jews are not worth a mosquito wing in the eyes of the believers. During a religious ceremony held by Hizballah in Harat Hurayk [in Beirut], Nasrallah said that Lebanon is no longer the weak link. He maintained that a war with Lebanon and on Lebanese territory is not a mere pleasure trip because there are men in Lebanon who are not afraid of death or fighting. Nasrallah promised the Israelis that just as magic was turned against the magician in July 1993 and April 1996, the Likud magic will turn against the magician shortly and this enemy will only reap defeat.

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Syria: Papers View Netanyahu's 'Intransigent' Position

JN1207093596 Damascus Syrian Arab Republic Radio Network in Arabic 0450 GMT 12 Jul 96

[Press review]

[FBIS Translated Text] In its editorial today, the newspaper AL-BA'TH discusses the fate of the peace process, which Israeli Prime Minister reaffirmed his determination to destroy, together with its principles and foundations.

Discussing the world responsibility under the headline "The World's Responsibility To Achieve Just Peace," the paper says: In flagrant defiance of international legitimacy and a blunt determination to torpedo the peace process, together with its principles, foundations, terms of reference, and facts, the Israeli prime minister reaffirmed his rejection of a just and comprehensive peace in the Middle East. Within the context of his continuous retreat from the peace process, Netanyahu claimed that the facts of the peace process changed with his arrival to power. This is a twisted logic that contradicts the world unanimous position over the principles on which the peace initiative was based in the first place, especially the land-for-peace formula.

AL-BA'TH adds: Before and after his talks with President Clinton and a number of U.S. Administration officials, Clinton revealed his intransigent positions on the peace process through his statements that reject the principles on which it was based. At the same time, he escalated his terroristic policy inside the occupied territories. Aggression against the peaceful villages in south Lebanon continued. He also reorganized the secret murder teams and gave them extensive powers to shed Arab blood in the West Bank and Gaza Strip.

AL-BA'TH says: Netanyahu's positions, which clearly reveal a total retreat from the peace process, were confronted by an international wave of criticism, ranging from disappointment, to considering them a declaration of war against the Arabs or a quest to push the peace process to a deadlock.

AL-BA'TH stresses: In the light of the outcome of the U.S.-Israeli talks and the tolerance shown by the White House toward Netanyahu's aggressive positions, the just and comprehensive peace that would achieve security and stability in the region and the world, is now a world responsibility. We do not believe that the world will stand by watching those who are threatening its interests and security, or assume an indifferent position toward Israel, which is violating international legitimacy.

On the same subject, AL-THAWRAH says in a commentary: Israeli Prime Minister Netanyahu's statements in Washington, in which he rejected, in part and parcel, the principles of the peace process, provide a signal that does not give any hope of optimism. These statements, which were made in the presence of officials in the U.S. Administration, the sponsor of the peace process, will only worsen the realities that have been surrounding this process since Netanyahu came to power in Israel.

The paper adds: In the U.S. Congress, Netanyahu reaffirmed what he said during his election campaign and his government policy statement. He rejected the principles of peace, such as withdrawal from the Golan Heights, southern Lebanon, and Jerusalem or the establishment of the Palestinian state. These statements mark a complete deviation from the basic requirements of the peace process which have been known for five years now.

AL-THAWRAH adds: Netanyahu continued to defy the will for peace and obstruct the peace process when he reaffirmed his rejection of the land-for-peace formula and the resolutions of international legitimacy that relate to peace.

The paper says: Netanyahu's declared positions on peace do not only mean a retreat; they also torpedo the principles and foundations of peace. They in fact constitute a declaration of war against peace. His argument about security before peace is based on Israel's old security theory, which says that Israel's security can be achieved by occupying and annexing as much Arab territory as possible.

AL-THAWRAH says: Therefore, the situation requires that matters must be reassessed in light of this Israeli position. This means that the Arabs, who have always underlined their keenness to ensure the success of the process to achieve a just and comprehensive peace in accordance with the Madrid terms of reference, must act quickly to implement the Cairo summit resolutions in full.

Concluding its commentary, the paper stresses that the continuation of the peace process requires the United States to translate its role as a peace process sponsor into action and rescue its land-for-peace formula, to which it says it is still committed. It must also pressure Israel to force it to accept and implement the principles of the just and comprehensive peace.

In another commentary, AL-THAWRAH says: According to observers and the world, Netanyahu's Washington visit was, in terms of its activities and events, a repeat of the inflexible and extremist positions. He reaffirmed the three no's which reject the requirements of peace and the principle of withdrawal from the Golan Heights, south Lebanon, and the other occupied Arab territories; and which refuse to relinquish Jerusalem and recognize

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the independent Palestinian state. He also attempted to dictate the Israeli conditions and logic on the U.S. decisionmakers.

AL-THAWRAH says the United States' prestige and the credibility of its commitments and pledges to achieve a just and comprehensive peace on the basis of the land-for-peace formula and the UN Security Council resolutions should not be subject to any bargaining or extortion.

Syria: AL-THAWRAH Urges U.S. To Stop 'Placating' Netanyahu

JN1007095796 Damascus SANA in Arabic 0745 GMT 10 Jul 96

[FBIS Translated Text] Damascus, 10 Jul (SANA)—The newspaper AL-THAWRAH said that giving Ari'el Sharon a ministerial post and making hardline statements on peace reveals that the objective of Netanyahu's visit to Washington is to complete the destruction of the peace process, which is in a stalemate because of the policy of intransigence exercised by Shamir, Rabin, and Peres.

In a commentary today, the paper says that Sharon is well known for his intense hatred of the Arabs, noting that the history of the Arab-Israeli conflict puts Sharon in the category of war criminals and perpetrators of barbaric massacres against the Arabs, not to mention that he is the engineer of the Israeli invasion of Lebanon in 1982.

The paper says that giving Sharon a ministerial post on the eve of Netanyahu's visit to Washington alone proves that extremism, hatred of the Arabs, and slipping away from the requirements of peace are clear aspects of the policy of the new Israeli Government under Netanyahu.

The paper considers Netanyahu's statements on the eve of his visit to the United States as a message for Washington that clarifies the nature of Israel's stand against a just and comprehensive peace, which Netanyahu sought to embody by stressing his refusal to withdraw from the Golan, his rejection of establishing an independent Palestinian state, and his adherence to the settlements policy.

The paper adds: With this message of extremism and rejection that precedes his visit to Washington, Netanyahu is not only quickening the torpedoing of the peace process, but he is also challenging, with utter provocativeness, international willpower and ignoring the U.S. role in the peace process and its basis vis-a-vis the land-for-peace principle.

The paper demands that the U.S. Administration stop placating Netanyahu and make him understand that it does not accept the position he brings to Washington and that this position is not in line with efforts to achieve a real peace in the region. The U.S. Administration should also make Netanyahu understand that the stand welcomed by the world and the United States is based on adherence to the peace process based on the principles of the U.S. initiative and the Madrid formula.

Concluding, AL-THAWRAH says: Extricating the peace process from its current ordeal is conditional on resuming bilateral peace talks based on Israel's announcement of its clear commitment to the principle of full withdrawal, abandonment of settlement building, and acceptance of the principle of parallel and equitable security.

Syria: Paper Says Israel 'Killing' Peace Opportunity

JN1107111496 Damascus SANA in Arabic 0740 GMT 11 Jul 96

[FBIS Translated Text] Damascus, 11 Jul (SANA)—The newspaper TISHRIN stresses today that the intransigent policy of the Binyamin Netanyahu-led Israeli Government has brought the peace process to the brink of death in preparation for the eventual killing or aborting of that process.

In an article appearing under "With the Events" column, AL-BA'TH says: The continuation of the settlement policy and the intransigent statements made by Prime Minister Netanyahu aim to kill the peace process and the self-rule agreements, despite their very limited nature, through measures that avoid stirring up any media clamor that would instigate world public opinion against it.

The paper concludes: It seems that U.S. President Bill Clinton failed in his effort to convince Netanyahu to freeze the settlement activity and he promised him not to exercise any pressure against him in that regard. This means that the peace process has no option now but to wait for the Israeli Government to fire the mercy bullet through a wide-scale aggressive operation. It is paving the way for this operation through measures and intransigent statements made by its officials every day.

Syria: Radio Views Outcome of Syrian-Saudi Committee Meetings

JN1207103196 Damascus Syrian Arab Republic Radio Network in Arabic 1140 GMT 11 Jul 96

[Station commentary]

[FBIS Translated Text] Dear listeners: The importance of the outcome of the joint Syrian-Saudi higher committee meetings in Riyadh yesterday does not only lie in

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bolstering bilateral relations of brotherhood and cooperation in the economic, cultural, and information fields. Indeed, it goes as far as deepening the bases of Arab solidarity and crystallizing an Arab status that embodies what was stressed at the recent Arab summit in Cairo vis-a-vis reinforcing Arab action in response to the aspirations of the Arab nation in a way that serves its interests and restores it usurped rights.

Developments in the region deemed it necessary to revive the Arab status and ensure its cohesion, adopt a united stand toward the existing challenges, as well as overcome obstacles that harm the interests of the Arab nation and prevent it from reinforcing Arab solidarity which constitutes the bases for any serious tackling of developments in the region.

From this perspective, the joint Syrian-Saudi committee reiterated its constant and principled stand on the requirements of peace and the need to comply with the bases of the Madrid peace conference that are founded on international legitimacy Resolutions 242, 338, and 425 and the land-for-peace principle. In essence, this embodies what was stressed during the Cairo summit in that peace is the Arabs' strategic option because a just and comprehensive peace guarantees Israel's full withdrawal from the Golan to the 4 June 1967 lines, its full and unconditional withdrawal from southern Lebanon and western al-Biqa' to the internationally recognized borders, as well as Israel's full withdrawal from all the occupied Palestinian territories, including Arab Jerusalem, and guaranteeing the Palestinian people's legitimate rights.

These constants in the Arab stand enjoy the international community's support. Any attempt by the Israeli extremist right-wing to undermine these constants will not succeed, but will only add tension to the situation. Hence, the cosponsors of the peace process, especially the United States, are responsible for adhering to their commitments toward the peace process and preventing it from collapse as a result of the intransigent stand adopted by Netanyahu's government, which clings to the occupation of Arab territories and perceives peace as a goal that achieves security for Israel and devours the occupied territories, including Arab Jerusalem.

Dear listeners: As a result of what the joint Syrian-Saudi higher committee's meetings continue to entrench, in terms of relations of brotherhood and cooperation and a pan-Arab stand committed to the nation's issues in accordance with the Arab summit's resolutions, the continuation of this method of Arab action represents the real framework for Arab efforts and trends toward serving the Arab nation's higher interest.

From this premise, clearing the Arab and regional atmospheres in a way that reinforces the Arab stand falls within the context of expanding the circle of Arab cohesion and mobilizing regional and Islamic forces and friendly countries in support of the Arab stand and the nation's issues. Hence, the Kingdom of Saudi Arabia appreciated Syria's efforts to clear the Bahraini-Iranian atmospheres in a way that supports the security and stability of Bahrain and the region. This is what Syria also stressed through its full solidarity with sisterly Saudi Arabia, through its categorical rejection of anything that would destabilize the Kingdom of Saudi Arabia, and through its strong condemnation and denunciation of the recent terrorist act in the kingdom.

The outcome of the Syrian-Saudi committee's meetings opens the door wide for reinforcing and supporting Arab solidarity, which represents the united force of Arab action in the face of existing challenges.

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Afghanistan

Afghanistan: Kabul Rejects Russian Statement on Helping Tajik Opposition

LD1107152296 (Clandestine) Radio Message of Freedom in Pashto to Afghanistan 0730 GMT 11 Jul 96

[FBIS Translated Text] A Radio Message of Freedom correspondent has reported from Kabul that the Afghan Foreign Ministry has rejected the Russian Foreign Ministry [statement] accusing Afghanistan of assisting the opposition groups of the Tajikistan Government.

The note by the Afghan Foreign Ministry, which has been issued in this connection, says that Afghanistan supported the peaceful solution of the Tajikistan problem. For this reason, last year Tajik President Emomali Rakhmanov and the leader of the opposition, Sayed Abdullo Nuri, were invited to Kabul to hold face-to-face talks. As a result of Afghanistan's peace-seeking efforts, both leaders held talks in Kabul to find a peaceful solution.

Afghanistan has neither given the Tajik Government's opposition forces a base in its country, nor has it armed them.

A number of Tajik mojahedin (?are living) in Afghanistan. They will return to their country as soon as the situation improves in Tajikistan.

Afghanistan: Rabbani, Hekmatyar Attend High State Council Meeting

LD1107203596 Kabul Radio Afghanistan Network in Pashto 1530 GMT 11 Jul 96

[FBIS Translated Text] At a session of the High State Council, it was said that the start of work by the new cabinet is regarded as an important and fundamental step toward the normalization of the situation in the country.

The High State Council Secretariat told BAKHTAR that a meeting of the High State Council was held this morning. The session was chaired by Professor Borhanoddin Rabbani, president of the Islamic State of Afghanistan and chairman of the High State Council. Brother Hekmatyar, prime minister of the Islamic State of Afghanistan, was also present at the meeting. The esteemed president and High State Council chairman mentioned with satisfaction the attendance for the first time of esteemed Engineer Hekmatyar. He said he regarded this as a positive development for the consolidation of social pillars [passage indistinct]. He asked Almighty God to bestow success on the new cabinet.

The esteemed president added that the formation of the new cabinet was the result of useful work [words indistinct].

Esteemed Rabbani said: The cabinet of Brother Hekmatyar has accepted responsibility at a time when we can see good prospects for the restoration of peace. The people and society are in urgent need of stability and calm.

The president said: The people's expectations of the new government are wide and varied. These needs should be unified and then classified. Priorities should be recognized. The government should coordinate its means and efforts to meet the immediate and urgent needs of our Muslim nation.

At today's session, emphasis was put on continuation of talks between the Afghan forces as a very satisfactory channel for finding a route to understanding and creating an atmosphere of trust. It was said that such talks should also be continued with other groups.

Talks and understanding with esteemed General Dostam, esteemed Mohammad Karim Khalili, the Taleban group, and other (?personalities) in Afghan society should not only be continued but should be given the necessary acceleration.

The High State Council once again called on all relevant forces and parties and said that fighting is not the way to end misunderstanding and hostilities. Fighting is not in the interests of the Afghan people. Now that all the effective forces and parties of Afghan society are coming closer together, there is no longer any reason for the continuation of hostility.

The High State Council asked all parties who remained outside the process for the peaceful solution of issues to put Islamic and national interests above all (?other considerations) and declare their readiness to joint the peace process. [words indistinct]

At today's meeting a number of other issues on the agenda were also discussed and decisions were made.

Afghanistan: Hekmatyar Gives News Conference on Peace, Foreign Policy

LD1107200996 (Clandestine) Radio Message of Freedom in Pashto to Afghanistan 0730 GMT 11 Jul 96

[FBIS Translated Excerpt] On 10 July esteemed Brother Hekmatyar, amir of the Hezb-e Eslami [Islamic Party] and prime minister of the Islamic State of Afghanistan, took part in a news conference attended by domestic and foreign journalists. [passage omitted]

Regarding the broadening of the peace axis, Brother Hekmatyar said: I hope in the near future a new and pleasing development will take place in the country. Regarding the Coordination Council, I must assure you

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that a number of forces will join us in the coming days. [passage omitted]

Brother Hekmatyar said: If the president approves, working days will be reduced to five days a week, with the except of schools, religious schools, and universities. [passage omitted]

Regarding foreign policy, esteemed Hekmatyar denounced the UN economic sanctions against Iran, Iraq, Sudan, Libya, (?and other Islamic countries) and said he regarded them as a blatant violation of international and human rights.

Afghanistan: Wahdat-e Eslami Leader Ready To Join Government

LD1107152796 (Clandestine) Radio Message of Freedom in Pashto to Afghanistan 0730 GMT 11 Jul 96

[FBIS Translated Text] Ustad [professor] Karim Khalili, leader of the Wahdat-e Eslami, has expressed his readiness to participate in the Government of the Islamic State of Afghanistan.

According to a Pakistani newspaper, Khalili, leader of the Wahdat-e Eslami in Bamian, said that the unity between the Hezb-e Eslami and the Jam'iyat-e Eslami was a satisfactory and a reliable one and that he was ready to join this [?provisional] government.

He [Khalili] has given a positive reply to the invitation of the Hezb-e Eslami's Mojahed Amir and the country's prime minister, who called on all groups and formations to resolve the Afghan crisis by talks and understanding, and to join the axis of peace.

Esteemed Ustad Khalili said that he preferred talks and understanding to fighting and he was ready to take part in the Afghan Government and other tasks.

Afghanistan: Islamic Unity Party Urges Afghan Groups To Settle Disputes

LD1207082596 Tehran IRNA in English 0634 GMT 12 Jul 96

[FBIS Transcribed Text] Kabul, July 12, IRNA — The Islamic Unity Party of Afghanistan led by 'Abdol Rasul Sayyaf Thursday [11 July] called on the Taleban and all other Afghan opposition groups and parties to settle their disputes with Afghan Government peacefully.

Regarding coalition of Afghan President Borhanoddin Rabbani and the party as an initial step towards establishment of nationwide peace and security, the party's Supreme Council called on all other Afghan groups to follow the policy.

The call was made during the closing session of the 3-day meeting of the party's Supreme Council held in Kabul and Paghman on July 9-11.

The council urged all Afghan Jihadi groups to get united to pave the way for the achievement of the sacred ideals of the Jihad.

The council also asked the government officials to implement Islamic rules and expel all communist and subservient elements from government organizations.

Stressing compilation of Islamic programs to organize administrative affairs, it called for measures to be taken to prevent growing administrative and financial corruption in the country.

The final resolution of the council also supported the struggles of the Muslim people of Palestine, Algeria, Tajikistan, Chechnya, Bosnia and Burma.

Afghanistan: Iranian Paper Says Taleban Politically Isolated

LD1107140696 (Clandestine) Radio Message of Freedom in Pashto to Afghanistan 0730 GMT 10 Jul 96

[FBIS Translated Text] The Taleban group are politically isolated [words indistinct].

According to a report by the JOMHURI-YE ESLAMI, printed in Iran, the Taleban group follow a militarist policy in Afghanistan and they openly say that they favor war. The inflexible policy of the Taleban group was not only defeated in the past but will also be defeated in the future.

The newspaper adds: Afghanistan's problems cannot be resolved by the Taleban group alone, though they control more than 13 provinces in the country. This is because there are other effective and longer established forces who enjoy the people's support and control the capital, which is the country's political center. The paper adds that the leaders of the Taleban group have issued standby instructions to their armed fighters south of Kabul and have dispatched fresh men and military equipment to the Logar and Maydan Shahr areas.

Afghanistan: Situation in Afghan Haven for Saudi Dissident Viewed

MS1107102996 London INDEPENDENT in English 11 Jul 96 p 11

[Report by Robert Fisk: "Small Comfort in Bin-Ladin's Dangerous Exile"]

[FBIS Transcribed Text] Nangarhar Province — Three tents have already been erected for Usamah Bin Ladin's

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three wives. In the grass encampment outside Jalalabad, the families of the Arab mujahedin fighters who have followed the Saudi dissident back to Afghanistan have screened off the tents with canvas, and dug three separate latrines and a drainage ditch. "They will be living here among us," an Egyptian armed with a Kalashnikov rifle told me. "These are ladies who are used to living in comfort."

They will find little in Afghanistan. Many of the Arab families are still billeted in Afghan towns, but they will be gathered here in the coming weeks, defended by their own menfolk and under the eye of more than one foreign intelligence service.

Already, some of the "Afghan Arabs" believe that President Mubarak's government is after them. "Three Egyptian security men have been driving round here in a green pick-up truck," the Egyptian guard said. "We know who they are and have the number of their vehicle. A few days ago, they stopped beside my son and asked him: 'We know you are Abdullah and we know who your father is. Where is Bin Laden?' Then they asked him why I was in Afghanistan."

The man's teenage son, sitting in the grass beside him with a rifle on his lap, confirmed this. "There are people in the towns who work for the Americans and for other people," he said. "We see these people and we have to be careful."

No one is more of a target than Bin Laden himself, whose Arab mujahedin gunmen have been blamed by Arab and Western governments for insurrection in Egypt, Algeria and Saudi Arabia. In an interview with the Independent, Bin-Ladin warned Britain that it must withdraw its troops from Saudi Arabia following the killing of 19 Americans by a truck bomb in Dhahran — an incident which he claimed marked the start of a war between Muslims and the United States.

Another of the Arabs in the camp claimed there was "no other country left for Mr Bin-Ladin" outside Afghanistan. "When he was in Sudan, the Saudis wanted to capture him with the help of Yemenis. We know that the French government tried to persuade the Sudanese to hand him over to them because the Sudanese had given them the South American [Carlos]. The Americans were pressing the French to get hold of Bin-Ladin in Sudan. An Arab group paid by the Saudis tried to kill him, but Bin-Ladin's guards fired back and two of the men were wounded. The same people also tried to murder [Hassan] Turabi [the de facto Islamist leader in Sudan]."

The Bin-Ladin camp — which is primarily for women and children rather than the Arab men — is vulnerable enough. Only a few strands of barbed wire separate it from the open countryside. "It's very dangerous here — the country is dangerous," the Egyptian said. "The Americans are trying to block the route to Afghanistan for the Arabs. I prefer the mountains. I feel safer there. This place is semi-Beirut."

Indeed it is. Many of the towns and cities of Afghanistan are the haunts of gun runners and drug dealers, each tribal society run by Afghan mafia.

In a nation whose economy has collapsed after seven years of civil war, the cost of betrayal is not high. Bin-Ladin boasted to the Independent that he would be able to propagate his views by fax and telephone from Afghanistan, a somewhat rash claim, since there is not a single international telephone line in Nangarhar province. He later said that Arab "brothers" outside Afghanistan could communicate his views for him.

Nor can he be under any illusions about the broken country to which he has returned. Bin-Ladin's mujahedin fought the Soviets in Afghanistan — losing around 500 men whose graves lie near the Pakistan border at Torkhum. After the Russian withdrawal he left for Sudan, disgusted by the Afghans' internecine fighting. Now he is back, but the civil war continues.

Returning from our meeting in Nangarhar province, the vehicle in which I was travelling with several armed Afghans was repeatedly stopped on bridges and road intersections by gunmen. One would crouch in front of the vehicle screaming at us to stop and pointing his rifle at the windscreen while a second figure would sidle to the driver's door with a pistol and ask for his identification. "Afghanistan very difficult," the driver remarked dryly to me Usamah Bin-Ladin has chosen a dangerous exile.

Bangladesh

Bangladesh: India Seeks Transit Facilities in Exchange for Ganges Water

BK1107110196 Dhaka THE DAILY STAR in English 8 Jul 96 pp 1, 12

[Report by M. Anwarul Haq]

[FBIS Transcribed Text] Foreign policy planners in New Delhi are keen on seeking transit facilities from Bangladesh, Indian External Affairs Secretary Salman Haider has said.

He was talking to THE DAILY STAR yesterday at state guest house Padma after his press conference. Later, he left for home in the evening on conclusion of a three-day visit to Bangladesh.

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When asked about speculations that the issue is being linked with the water-sharing [Ganges River water sharing] problem, Salman Haider said: "Yes, it is correct that transit occupies a pivotal consideration in our thinking."

Salman Haider noted that India had a serious problem in transporting goods and commodities to the seven eastern states.

"Because of the absence of transit facilities, transportation of goods from other parts of India to our north-eastern states are very expensive. Prices of most items there are often higher by 15 or 20 per cent and sometimes even more," he said.

Bangladesh, he felt "could benefit economically from the use of its port and by providing transit user facilities."

When told that transit might pose a threat to Bangladesh's security, Haider did not agree and said: "There is absolutely no security threat. There would be no passage of military convoys or equipment."

Continuing he felt: "It would just open the economic lifeline of the Indian states in the eastern region and would also be an economic boon for Bangladesh."

Asked if providing transit facilities was central to a permanent solution of the water sharing issue, the Indian foreign secretary evaded a direct reply and said "I would not say it is connected with some particular issue, but definitely it is a subject which needs to be addressed."

Earlier, when he was asked at the press conference if the subject of transit was discussed in his talks with the Bangladesh side, Salman replied, "Transit issue was not discussed in any concrete terms."

Meanwhile, the present Indian External Affairs Minister I.K. Gujral had referred to India's transit needs earlier also in an interview with this correspondent during a private visit to Dhaka in February, 1994.

Gujral said: "The water problem cannot be seen or solved in isolation. May be India can give some water, but it can also expect some concessions in return."

Gujral, who had by then already served a stint as external affairs minister in V.P. Singh's cabinet, said in the interview: "What is the harm if you allow the use of Chittagong port for transit of goods to eastern India? You will definitely be benefited by the revenue earnings, if you extend this facility."

Mentioning that transit facilities, if given, "would help us get closer to you," Gujral added "Let Bangladesh calculate how much it can augment its income through giving port and transit facilities. You definitely can demand from us the rates you want. However, you have every right to deny us the facilities, which you have done till now."

Diplomatic observers, however, feel that the present Indian prime minister, Deve Gowda, may be genuinely responsive to Bangladesh's need for water. As former chief minister of the Indian state of Karnataka, he had ordered the release of 6000 million cubic metres of water to Tamil Nadu. The decision created controversy in his home state but it was brushed aside with empathy by Gowda in a display of political adroitness.

Both I.K. Gujral and Deve Gowda may decide in their political wisdom to opt to settle the issue of water sharing with Bangladesh with fairness in the interest of good neighbourliness pending a decision on the transit question, at least up to a desirable point, commented an observer of Indo-Bangladesh relations.

Bangladesh: President, Government on 'Collision Course' Over Speech

BK1207092096 Hong Kong AFP in English 0822 GMT 12 Jul 96

[FBIS Transcribed Text] DHAKA, July 12 (AFP) — President Abdur Rahman Biswas and Bangladesh's new government are on collision course over his opening speech to the new session of parliament on Sunday [14 July], government sources said Friday.

The president is balking at the speech submitted by the government, which praises Prime Minister Sheikh Hasina Wajed's assassinated father, Sheikh Mujibur Rahman, as the "country's founding father."

The speech, drawn up by the Awami League, outlines the government's future plans and achievements.

Rahman led Bangladesh to its independence in 1971 from Pakistan and was popularly called "Bangabandhu" or "Friend of Bengal."

The sources said Biswas had reservations over that and had asked his officials to check Rahman's position in the constitution.

Sheikh Hasina led her Awami League to victory in the June 12 general election, defeating the Bangladesh Nationalist Party (BNP), of which the president is a senior member.

Months before his assassination in a 1975 military coup that toppled his post-independence Awami League government, Rahman's status as "father of the nation and Bangbandhu" was incorporated in the constitution.

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According to constitutional experts the provision was not repealed by successive governments, but has been kept "suspended."

"Yes, we have received the Awami League prepared speech and the president is going through it," a presidential spokesman said.

The sources said a decision on the speech would be taken after Sheikh Hasina returned to Dhaka later Friday from a four-day official trip to Saudi Arabia.

The president might take a "drastic decision" if the two do not agree on a compromise, one government source warned, adding the president might refuse to deliver the government's speech "and instead go for the one which he deems fit."

Soon after coming to power the government restored Rahman as the "father of the nation" and declared August 15, the day he was killed, as a day of national mourning day as well as a public holiday.

His portraits, instead of the usual prime minister's, have been hung in all government, semi-government and other offices, including the Bangabhaban presidential palace.

Sheikh Hasina, the leader of the 330-member house, faces BNP — the single largest opposition group ever, with her arch-rival Khaleda Zia ready to challenge the new government at every opportunity.

According to government sources, despite BNP opposition, Sheikh Hasina wants to elect the country's next president, parliamentary speaker and his deputy on the basis of a consensus.

The president's five-year term ends in October.

The BNP was also expected to object to the Jatiya Party (JP) of jailed former president Hussain Muhammad Ershad taking a seat in the opposition as its secretary general is a member of Sheikh Hasina's "government of national consensus."

The Awami League has a total of 169 seats in the 330-member house, three more than the number needed for an absolute majority.

The national budget for fiscal 1996-1997 will also be presented in the session.

Bangladesh: Minister Briefs Newsmen on Foreign Policy Directions

BK1107162596 Dhaka Radio Bangladesh Network in Bengali 1500 GMT 11 Jul 96

[FBIS Translated Text] Foreign Minister Abdus Samad Azad said that the fundamental principle of our foreign policy will continue to be friendship with all and malice toward none. He was addressing a crowded press conference at the Foreign Ministry in Dhaka this afternoon. This was his first press conference as foreign minister. The foreign minister said that the new Awami League government will place special emphasis on strengthening relations with all our neighboring countries. This government will endeavor to resolve all outstanding problems with India amicably through bilateral talks. Highest priority will be given for a speedy resolution of the Ganges water problem before the onset of the next dry season. Referring to the Chakma refugee problem, he said this problem will be resolved through mutual understanding.

On the issue of relationship between Bangladesh and Pakistan, Abdus Samad Azad said that the two countries have excellent relations and added that all outstanding issues with Islamabad will be resolved on the basis of friendship and goodwill.

Referring to the Rohingya refugee problem, he said efforts will be geared up for expediting their speedy repatriation to Burma.

The foreign minister said that Bangladesh will make efforts to give a new sense of dynamism to the entire process of regional cooperation. He said Bangladesh will also strive to further deepen and expand the existing relations and cooperation with all other countries not only bilaterally but also through interaction in multilateral and international fora. He said we have a deep and abiding commitment to our membership in the United Nations, the Organization of the Islamic Conference, the Commonwealth, and the Nonaligned Movement.

Foreign Secretary Farooq Sobhan was also present at the press conference.

India

India: Interview With Bangladesh's Prime Minister on Ties

BK1107102896 Delhi INDIA TODAY in English 15 Jul 96 p 68

[Interview with Bangladesh's Prime Minister Sheikh Hasina Wajed by Ruben Banerjee in Dhaka "a few days before she was sworn-in"]

[FBIS Transcribed Text] [Banerjee] What would be your first priority as prime minister?

[Hasina] Restoring law and order. Recovery of illegal arms, suppression of terrorism and a crackdown on politically protected goons are essential steps to restore confidence in the society.

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[Banerjee] Would there be changes in the economic reforms pursued by the BNP [Bangladesh National Party] government?

[Hasina] The previous government did not take us into confidence about these matters. But as far as I know, not a single reforms programme has been implemented successfully. We will prepare a plan to speed up the reforms we consider necessary.

[Banerjee] You have talked about national consensus. How do you arrive at a consensus in a country with such a deep political divide?

[Hasina] We will stretch a hand of cooperation to those who will take it.

[Banerjee] But isn't Parliament the best place to build such consensus?

[Hasina] In the House, and especially in the committees, we will make every possible effort to consult the Opposition. On certain basic issues, we will initiate national debate by involving professional groups, businessmen and the academia. I believe we can unite people on specific issues.

[Banerjee] Do you foresee any change in Indo-Bangladesh relations?

[Hasina] We expect to have good neighbourly relations with India on the basis of respect for each other's independence, sovereignty and territorial integrity, and non-interference in each other's internal affairs. Following in the footsteps of the Father of the Nation, Bangabandhu Sheikh Mujibur Rahman, we will seek solutions to all outstanding problems through bilateral negotiations.

[Banerjee] Anti-India feelings seem to be very high here. Why is it so?

[Hasina] Fanning anti-India feelings was a basic policy of the Pakistani ruling elite. Regrettably, the same policy was followed by the military rulers who assumed power in 1975. The BNP government under Begum Via too stoked anti-India sentiments. In fact, the constant retrain in Begum Zia's campaign speeches was that the Friendship Treaty with India was a slavery treaty for Bangladesh. But the electorate seems to have rejected such an approach.

[Banerjee] But at the same time why do you say that the Friendship Treaty will not be renewed?

[Hasina] There is nothing wrong with the treaty. In fact, it acted as a shield against all those who were conspiring against our independence. In the early '70s, certain powerful countries were trying to undermine the independence of Bangladesh. Internally, subversive elements were very active. Under those circumstances, the treaty was an act of great statesmanship on the part of Bangabandu Sheikh Mujibur Rahman. But today Bangladesh is firmly established as a proud member of the UN, the Commonwealth, the Non-aligned Movement. In South Asia, SAARC [South Asia Association for Regional Affairs] has opened a new horizon of regional cooperation. SAARC and SAPTA [South Asia Preferential Trade Agreement] charters have even incorporated most of the provisions of the treaty. It is for these reasons that we felt the renewal of the treaty was not necessary.

India: Defense Minister—'Total Transparency' of Import Deals

BK1007011596 Delhi All India Radio Network in English 1530 GMT 9 Jul 96

[FBIS Transcribed Text] The defense minister, Mr. Mulayam Singh Yadav, has said that middlemen will not have any role in any future defense equipment import deals. Talking to newsmen in New Delhi today, he said there will be total transparency in all contracts. Referring to the outlay for defense in the coming budget, he hoped that the defense allocation would be increased.

India: Lok Sabha's Approval Sought for President's Rule in Kashmir

BK1107010196 Delhi All India Radio Network in English 1530 GMT 10 Jul 96

[FBIS Transcribed Text] The Lok Sabha today witnessed uproarious scenes over the petroleum price hike and had to be adjourned more than an hour ahead of schedule. The BJP [Bharatiya Janata Party] and its allies, including the Samata Party and Akali Dal, insisted that discussion on such a serious issue should either be under an adjournment motion or under Rule 184 which provides for voting. They said the discussion under Rule 193 is not acceptable to them. The speaker, Mr. P. A. Sangma, however, stuck to his earlier discussion for a short duration discussion under Rule 193. Not satisfied with the ruling, the BJP members trooped into the well of the house raising slogans against the government and demanding a roll back in the prices of petroleum products. Treasury bench members strongly objected to the behavior of the main opposition.

Earlier, the issue was raised as soon as the house met on the opening day of the budget session. The Congress members were on their feet demanding immediate withdrawal of the hike. Miss Mamata Bannerjee of the party sat on a dharna [sit-in agitation] throughout the morning in the well of the house and was seen holding a banner in the afternoon.

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The matter cropped up again during the zero hour with the leader of the opposition, Mr. Atal Behari Vajpayee, questioning the propriety of the government's decision to increase the prices when the president had already summoned the budget session of parliament. He made a forceful plea for withdrawal of the hike. Several members from the United Front also criticized the government's action. A Left Party member asked as to what happened to the front's promise of providing alternative model of government.

Responding to the criticism, the finance minister, Mr. P. Chidambaram, maintained that there was no breach of propriety as the decision on the price hike had to be taken under extraordinary circumstances. He said the oil reserves pool was depleting very fast and an immediate decision was called for. The speaker, Mr. Sangma, then ruled that though there was no infringement of any rule, the government should have kept the issue of propriety in mind. Quoting a similar ruling given in 1980 by the then speaker, Dr. Balram Jakhar, Mr. Sangma it would have been more appropriate if the announcement was made in the house.

The government today introduced a statutory resolution in the Lok Sabha seeking its approval for extending president's rule in Jammu and Kashmir for another six months. President's rule in the state expires on the 17th of this month. Initiating the discussion, the prime minister, Mr. Deve Gowda, said the government intends to hold elections in the state as early as possible and definitely before the first week of October. He said instructions have already been issued to the state authority for a summary revision of the electoral rolls. Mr. Jagmohan of the BJP, while endorsing the resolution, said his party would oppose any further autonomy for the state.

India: New Home State Minister Comments on Kashmir Autonomy

BK1107072596 Delhi Doordarshan Television Network in English 1530 GMT 10 Jul 96

[FBIS Transcribed Text] Mohammad Maqbul Dar is the new union minister of state for home and the minister of state for communications, Mr. Beni Prasad Verma, has been elevated to cabinet rank. Both took oath today. Our correspondent Geetam Mishra brings you the details:

[Begin recording] [Mishra] Two ministers were inducted into the 40-day-old United Front Ministry today. The president, Dr. Shankar Dayal Sharma, administered the oath of office and secrecy to the new ministers at a brief ceremony at Rashtrapati Bhavan [President House] in New Delhi today. Mr. Beni Prasad Verma, the minister of state for communications, has been elevated to the cabinet rank. Mr. Verma, who was listed in the third phase of expansion on 5 July could not make it since he was away in Uttar Pradesh.

Mr. Mohammad Maqbul Dar, the lone Janata Dal MP from Jammu and Kashmir, was sworn in as the minister of state. He will be replacing Mr. Mohammad Taslimuddin, who resigned as minister of state for home last night.

[Dar] My priority is to bring normalcy in the state of Jammu and Kashmir, which is the primary thing for the trouble-torn state because during the election campaign I asked the people what do you want? Have you any problem? They said that we have no problem; this life is burden upon our shoulders. We have no interest in anything. If at all you give us something, you can give us; give us peace and tranquillity.

[Mishra] What is your opinion on giving more autonomy to Kashmir?

[Dar] Autonomy is not in my mind and it has never been in my mind. We have got special status under Article 370 [of the Indian Constitution] and my party, the only party, is of the opinion and [words indistinct] to give more powers to the states in general, not particularly to any state.

[Mishra] Even after the induction of Mr. Dar, the strength of the Deve Gowda Ministry remains at 39. [end recording]

Iran

Iran: Radio Views Netanyahu Speech to U.S. Congress

LD1107140996 Tehran Voice of the Islamic Republic of Iran in English 1130 GMT 11 Jul 96

[Station commentary]

[FBIS Transcribed Text] (?In a speech) in the American Congress, the usurper Zionist regime's Prime Minister Binyamin Netanyahu announced that peace should be based on security, reciprocal action, and the strengthening of democracy in the Middle East. In another part of the speech, Netanyahu considered the United States as being the only country that can take the responsibility of leading international endeavors to prevent nuclearization of the terrorist countries.

Due to the fact that he could not give firm responses to the questions of the reporters in a press conference yesterday, Netanyahu tried to make up for his failure in a unilateral opportunity in the American Congress, calling the majority of the Middle East regimes nondemocratic and anti-democratic.

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As it seemed, he clearly showed lack of political experience necessary to cover [up] the expansionist motivations of the Zionist regime. Calling leaders of the European nation countries' leaders as foolish and accusing the leaders of Middle Eastern countries of a dictator, he showed that in the perspective of the usurper Zionist regime, only the countries that support the expansionist aims of Israel and the region are considered democratic countries. [sentence as heard]

Dealing (?with the issue of forming) an illegal government by suppressing the Palestinians, Netanyahu called the strengthening of democracy in the Middle East as one of the trilateral pillars of peace. He seems to deliberately forget that according to majority of international independent organizations, one of the most violent methods of suppression is applied by the Zionist regime in the occupied lands.

The leaders of the European countries that have provided the majority of the aid to the usurper Zionist regime during the past 50 years are called as foolish because they don't intend to respond positively to the unilateral policies of the White House, confronting its opposition countries. This is a cause of concern for the leaders of countries that were conned by the Zionist regime's peaceful slogans.

On the whole, considering Netanyahu's speech in the American Congress, it is perceived that three main factors led the Zionist prime minister to disregard cautious policies.

The first factor is the escalation of contradictions inside the government with the arrival of Sharon to the government which came via the warning of David Levi.

The second factor was the strong reaction of world's public opinion, especially Arabic countries, who were not convinced by the boring reasoning and speeches of Netanyahu.

Finally, the third factor was the clear disagreement between Washington and Tel Aviv on the methods of following the peace process in the Middle East.

Iran: Commentary on Arab Concerns Over Israeli Actions in Lebanon

LD1107181396 Tehran Voice of the Islamic Republic of Iran in English 1130 GMT 11 Jul 96

[Unattributed commentary]

[FBIS Transcribed Text] Following continued Zionist regime's offensive against south and east of Lebanon, a wave of concern has developed in the world of Arabs' political scene, especially in Lebanon. During the last few weeks, especially after the election of the right-wing prime minister, Binyamin Netanyahu in Israel, the Zionist regime has launched aerial and sea offensives against Lebanon; offensives that, while disregarding April cease-fire agreement, have aimed at the civil regions, wounding the residents of Lebanon's rural areas. That is why the Lebanese Government, submitting a complaint letter to the UN secretary general, has strongly condemned the recurring offensives of the usurper Zionist regime and has called them violations of international laws and regulations, such as the UN Charter.

It is perfectly clear that the Zionist regime's troops' recurring offensives against Lebanon is a breach of the sovereignty of Lebanon as an independent country. Meanwhile, Tel Aviv leaders consider the invasion of Lebanon not to be against the international commitments, but also the speech of the Zionist regime's prime minister on the continuation of the occupation of southern Lebanon is a sign of clear indifference at the Zionist regime to the international laws.

During the past recent weeks, the Zionist regime's minister of war, Yitzhaq Mordekhay, has travelled more than twice to the occupied regions of southern Lebanon and has pointed to the issue of withdrawal from the southern Lebanese region after 18 years of occupation. Meanwhile, Benjamin Netanyahu, disregarding Israeli-Arab negotiations, which is the basis of the transaction of land for peace, has considered the maintenance of southern Lebanon and the suppression of Lebanon's Islamic National Resistance Movement, as preconditions of negotiations with Lebanon and Syria. Meanwhile, the UN Security Council's Accord 425, 18 years ago, clearly called on the Zionist regime to withdraw from Lebanon with no preconditions. This is why the speeches of the Zionist regime's leaders not only cast light over the expansionist nature of this regime to the world's public opinion, but also show the shaky trend of the peace process with the return of Arabs' occupied lands.

Iran: Velayati Says Iran Prioritizes Relations With CIS

LD1107144796 Tehran IRNA in English 1425 GMT 11 Jul 96

[FBIS Transcribed Text] Gorgan, Mazandaran Prov., July 11, IRNA — The Islamic Republic of Iran attaches especial significance to having ties with 12 Commonwealth of the Independent States (CIS).

Foreign Minister 'Ali Akbar Velayati, who made the remark here at the inaugural ceremony of the Foreign Ministry's representative office in this northern provincial city on Thursday [11 July], said that his ministry

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had given top priority to consolidation of Iran's ties with the CIS, especially with those sharing common borders with it.

He added that the Islamic Republic of Iran had highest volume of transactions with Russia at present.

The minister said that inauguration of Mashhad-Sarakhs-Tedzhen railway was a step taken by Iran to further expand its economic and cultural ties with the CIS.

Velayati underlined that today Iran's geopolitical location, stability, security, consolidation of its Islamic system and the role it played in regional equilibrium, made many countries not to bow to the U.S.' imposition of economic sanctions against Iran.

He added that at present Iran enjoys stablility and security more than any other country in the region.

He hoped for expansion of ties between this northern province and the CIS in general and between the province and the Central Asian republics in particular.

Iran: Russian Spokesman Affirms Nuclear Plant Not on U.S. Agenda

LD1207072296 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0330 GMT 12 Jul 96

[FBIS Translated Text] On the eve of holding a session of the U.S.-Russian Economic Cooperation Commission, a spokesman for the Russian Atomic Energy Ministry said: The project to build the Bushehr nuclear power station is not on the agenda of this commission. The spokesman, in an interview with a correspondent of the Islamic Republic News Agency [IRNA], added: Building work to complete the Bushehr power station is continuing in accordance with the plan announced before.

Iran: Tehran on Importance of Gaylani's Talks With Kabul Leaders

LD1007161196 Tehran Voice of the Islamic Republic of Iran in English 1130 GMT 10 Jul 96

[Unattributed commentary]

[FBIS Transcribed Text] An Afghan government source announced on Tuesday 9 July that Seyyed Ahmad Gaylani, the leader of the Hezb-e Mahaz-e Melli [National Front Party], had entered Kabul for talks with the Afghan president and prime minister. The visit of Kabul by Mr. Gaylani, who had previously rejected his party's participation in the new Afghan coalition government headed by Golboddin Hekmatyar, is evaluated as important by political analysts.

It is believed that the purpose of Mr. Gaylani's visit of Kabul is to discuss his proposed plan of forming the 50-member council of mojahedin and other independent leaders of Afghanistan. It is said that based on this plan, that council will be responsible for drafting a new Afghan constitution, designating an Afghan provisional government for six months and holding general elections.

According to informed sources, the reason the government is discussing the Gaylani plan with him is that there are similarities between that plan and the coalition government's own for resolving the Afghan civil war. Mr. Hekmatyar himself has emphasized numerous times before that if a nationwide cease-fire has gone into effect, his term of office will expire in six months and its main responsibility will be to hold general elections.

It seems that stressing common positions, the Afghan government is trying to keep open the door to negotiations with Hezb-e Mahaz-e Melli so that it will have the opportunity to join the coalition government in case it wants to. On the other hand, there might be other factors involved in the visit of Kabul by Mr. Gaylani, who is a member of the Nangarhar Jihadi Council. Before him Mr. Yunes Khales, the leader of the second branch of Hezb-e Eslami, who is also a member of the Nangarhar Province, has announced his readiness to join the Afghan coalition government and it is thought that more than anything else, Mr. Gaylani's visit of Kabul has taken place under the influence of the positive position by Hezb-e Eslami, Khales branch, to the coalition government of Mr. Hekmatyar. Furthermore, it should be taken notice of that the visit of Mr. Gaylani is carried through following his meeting with General 'Abdol Rashid Dostam, the leader of the Afghan National Movement of the North. Therefore, it is possible that on the ways and means of contact with the government, some coordinations might have been arranged between the two groups.

As a whole, considering various political deliberations among the different opposition groups, on the one hand, and between the government and those groups, on the other, it seems that all efforts are towards a solution which takes into account and consideration the various existing opinions and positions by the many Afghan jihadi groups.

Meanwhile, political observer believe that among the many existing plans to transfer power to an all-encompassing provisional government, the Hekmatyar's coalition government's plan has a better chance for success, because other plans are not only experiencing difficulty on establishing contacts among all groups,

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but also lack ability to offer the necessary guarantees for the general plan to be fully implemented.

As a matter of fact, the plan, which can offer the final solution to the Afghan crisis, is the one that is proposed by the government and could, before holding any kind of proper referendum, counter the anarchy which is rampaging through the country at the moment.

Iran: Paper on Tehran's 'Crucial Role' in Afghan Developments

LD1007155796 Tehran KAYHAN INTERNATIONAL in English 8 Jul 96 pp 7, 8

[Editorial: "Iran Plays a Crucial Role in Afghanistan's Peace Process"]

[FBIS Transcribed Text] Tehran — All Afghan leaders who participated in a three-day international seminar on Afghanistan held here last week unanimously confirmed that the Islamic Republic of Iran had played a crucial role in recent Afghan developments including the forging of the alliance between President Borhanoddin Rabbani's Jam'iyat-e Eslami [Islamic Society] and Golboddin Hekmatyar's Hezb-e Eslami [Islamic Party]. And all participants were at one in their opposition to the Taleban militia, and their support for united Afghanistan and a political solution to the crisis in their country.

The "Seminar on Afghanistan and Regional Security," sponsored by the Foreign Ministry's Institute for Political and International Studies (IPIS) and attended by 11 out of the total 13 Afghan parties, was extremely significant coming as it did in the wake of the historic peace accord reached between Rabbani's Jam'iyat-e Eslami and Hekmatyar's Hezb-e Eslami and after continued Iranian efforts to bring about peace in Afghanistan.

Iran has voiced support for the alliance, Pakistan in a change of policy tacitly welcomes the agreement, and Hezb-e Eslami says the Hekmatyar-Rabbani alliance is on a firm footing and is based on complete mutual confidence.

"The peace accord was the first step towards bringing a complete end to the civil war and preparing the ground for a united Afghanistan", Hekmatyar's deputy Qotboddin Hilal told 'Kayhan Havai' in an exclusive interview adding, "Iran has played a significant role in helping forge the alliance".

Hilal said some other parties were to join the alliance such as the Hezb-e Wahdat [Unity Party] of Mohammad Akbari's faction, the Ittehad-e Eslami [Islamic Unity Party] of 'Abdol Rasul Sayyaf and Asef Mohseni's Harakat-e Eslami [Islamic Movement].

He said the new alliance calls on all parties, including the Taleban, to join the peace process.

"Talebans are Afghanis. We don't want war with them. The Afghan problem has no military solution. We call on them to join hands with us for the prosperity of Afghanistan. The alliance between Jam'iyat-e Eslami and Hezb-e Eslami should not be considered a sharing of power between the two. We want all parties to be represented in the government and that's why we want all of them to join us", Hilal, a US-educated electronics engineer said.

He added that the root cause of the four-year-old civil war in Afghanistan was the failure of the Afghan Mojahedin groups to come together and plan for the future after the fall of Najibollah's Communist regime.

He welcomed Pakistan's tacit approval of the alliance and viewed it as a new gesture from the government in Islamabad to patch up their strained relations with Kabul.

Haj Hafizollah Sirat Taleqani, the Head of the Cultural Council of General 'Abdol Rashid Dostam's National Movement cautiously welcomed the alliance and said, "the Afghan people are tired of war. They want peace and we support a comprehensive settlement of the crisis in Afghanistan."

Asked if his movement would join the Rabbani-Hekmatyar alliance, Taleqani said, "Initial negotiations are under way now. We will be willing to join the alliance under certain conditions". He refused to go into detail.

Taleqani condemned the recent assassination of Dostam's deputy Rasul Pahlawan but said the motives or the reasons behind it were not clear.

The National Movement of Uzbek General Dostam controls three Afghan provinces in the North.

Hezb-e Wahdat's (Akbari faction) representative in Tehran, 'Abdolhaq Shafaq, however, put Pahlawan's assassination down to a purge within the movement.

"Pahlawan was an obstacle in the way of an alliance between Dostam and Rabbani. Now he has been eliminated, the possibility exists of Dostam joining the Rabbani-Hekmatyar alliance," Shafaq said.

He said his party was about to join the alliance and wanted the education and commerce portfolios in the government.

Jam'iyat-e Eslami is to get the foreign affairs and interior portfolios, and Hezb-e Eslami the defence and economy ministries. Each new party joining the alliance will be given two ministries.

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Haji Suleyman Yari, deputy of the executive council of former president Sebghatollah Mojadeddi's National Salvation Front denounces armed conflict among Afghan groups but does not recognize the Rabbani government.

"We are opposed to a military solution and Taleban's policies. We want to resign and hand power back to the Transition (Qiyadi) Council", Yari said adding "our movement has never been involved in the civil war in the post-jihad era."

The Deputy of Mohammad Yunes Khales's Hezb-e Eslami, Haj Din Mohammad, welcomes the Rabbani-Hekmatyar alliance but states that he has conditions which must be met before his group will make peace with the two. He did not explain.

The newly-emerged extremist Taleban militia, widely believed to be supported by Pakistan and the United States, is the only Afghan party that insists on a military solution to the Afghan crisis. Taleban had not been invited to attend the seminar.

The Taleban, who came into existence last year, said they had risen up in an attempt to end the fighting in the war-torn country, some parties gave land under their control to Taleban without resistance but when the group's ambitions for power became clear, all-out opposition began against them.

The Taleban, made up of religious students from Pakistani madrassas [religious schools], are controlling 15 provinces out of Afghanistan's total 30 provinces. The Rabbani faction has five provinces under its control including the capital, Kabul.

Hekmatyar was sworn-in last week as prime minister and he was expected to announce his cabinet as we were going to press.

Iran: Turkey's Erbakan's Accession to Power, Western Reaction Viewed

NC1007185796 Tehran Voice of the Islamic Republic of Iran in Turkish 1630 GMT 9 Jul 96

[Unattributed commentary]

[FBIS Translated Text] The session the Turkish Grand National Assembly [TGNA] held to vote on the new government on 8 July has been regarded as the most sensation-creating convocation during the past few years. It will be recalled that Prime Minister Necmettin Erbakan's coming to power in Turkey ended the political crisis there. The session was important because the TGNA was to determine whether or not Erbakan, who is known around the world as a pro-Islamic politician, should serve as the prime minister of a secular regime.

It is a fact that the opposition parties in Turkey generally vote against a government in which they do not participate. That has become a tradition. However, dissension among the members of one of the coalition partners on the confidence vote has been unheard of in the past. The Welfare Party [RP] established a strong front with its 159 deputies behind Erbakan. However, an effective group in the True Path Party [DYP] disclosed that it would vote against the new government. It also confidently argued that the coalition government would not be able to secure the TGNA's confidence vote. Meanwhile, the transfer of deputies from one political party to the other gained momentum and several claims were made in connection with the process. Nevertheless, the decision that was made by the 12 DYP deputies to either cast a no vote, or abstain, or refrain from participating in the voting failed to obstruct Erbakan's accession to power. This is because the seven deputies of the Great Unity Party decided at the last minute to support the Erbakan government. Obviously, they did not want to shoulder responsibility for the political crisis and impasse that would be created if the TGNA voted against the new administration.

The international news agencies informed the world that a pro-Islamic prime minister would head the secular regime in Turkey for the first time in 73 years. In fact, this was the reason why the change of government was important and for the uneasiness in the DYP.

Necmettin Erbakan's coming to power in Turkey should not be exaggerated. However, the anxiety it has created in the world has showed that its importance should not be underestimated.

Meanwhile, it must be stressed that the Western countries have been confused by the fact that DYP leader Tansu Ciller, who is committed to Western policies and values and who has opposed Necmettin Erbakan in the past, was the person who helped him to come to power. However, it must not be forgotten that the present situation was unavoidable, as also outlined by Erbakan in the speech he made to thank the parliamentarians after the voting session.

The outcome of the elections on 24 December 1995 indicated that the establishment of a strong government without the participation of the pro-Islamic RP would be impossible. It was common knowledge that the RP gained strength as an opposition party. The governments that were established failed to carry out effective work because they were weak. The RP's strong opposition tied their hands.

What was more important was the fear that the pro-Islamic trends would gradually strengthen and become

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uncontrollable in the country. In view of this, the Western countries, particularly the United States, hopelessly tried to find a way to help the pro-Western and secular regime in Ankara. However, it did not take them long to realize that the coming to power of the new coalition government, in which the RP is the larger partner, in accordance with the existing laws, can be an acceptable development that may obstruct uncontrollable developments in the future. In view of this, the United States and the EU decided that Erbakan, who will try to realize his political views within the framework of the secular Constitution, would be preferable to a chaotic situation. The publication of reports by the Western newspapers saying that Erbakan could not become an ayatollah in Turkey next to their reports that Turkey had fallen into the hands of a pro-Islamic government was meaningful. Apparently they needed a kind of consolation.

Obviously, there is no need to say that the Western world hopes that it will not suffer because of the developments in Turkey. It will be recalled that the Islamic Revolution in Iran inflicted a serious blow against it in the past. Nevertheless, it is still worried, regardless of the fact that Turkey is a NATO country and is bound by many agreements, including the customs union and the military and strategic agreement it has signed with Israel. That state of affairs will unavoidably limit what Erbakan can achieve.

The Western countries already have considered how successful Erbakan can be and whether or not Turkey will be governed by an administration that will harm the Western world. Nevertheless, they are still worried by a pro-Islamic prime minister coming to power to head a secular regime.

Everything is quite clear. The view that Erbakan can be rendered ineffective is a kind of consolation for the Western countries. Meanwhile, the possibility that a different situation could emerge has made all the secular forces uneasy. The political circles are well aware that Erbakan will not have a free hand because of Turkey's links with the Western countries. Nevertheless, they believe that the conviction that Turkey is at the beck and call of the Western world will be removed and that the links that bind Turkey will be weakened. Obviously, what Turkey can achieve will come to light in the next few months.

Iran: Daily Criticizes 'Absurd' Egyptian Remarks About Iran

LD1007152996 Tehran IRAN NEWS in English 8 Jul 96 pp 2, 13

[Unattributed Commentary: "Egypt's Contradictory and Absurd Remarks About Iran"]

[FBIS Transcribed Text] Absurd and contradictory remarks about Iran came from Egypt yesterday which would not serve any purpose and will only harm the interests of the Egyptian people. These remarks would definitely delight the enemies of the interests of the Third World.

Egyptian President Husni Mubarak, according to an AP dispatch from Cairo yesterday said, "Egypt turned down a proposed meeting between unspecified ministers of Egypt, Iran and Syria."

A Reuter dispatch, also from Cairo, quoted Mubarak's top political adviser Usama al-Baz as saying, "There is no mediation by Syria between Iran and Egypt."

The question is that if there is no mediation between Iran and Egypt, as al-Baz maintained, then how come the ministers of Iran, Egypt and Syria were due to meet as Mubarak told the press on Thursday [4 July].

Of course we are waiting for the comments from Iran's Foreign Ministry as well as from Syria to elucidate the points raised by whimsical Egyptian officials.

What we would like to do is recall the principles of the foreign policy of the Islamic Republic under the guidance of the leader of the deprived, the late Imam Khomeyni.

Iran, according to the declared principles of our foreign policy, is ready to have closer, brotherly and good neighbourly relations with all the countries in the world except the Zionist entity, Israel.

These relations, according to the same principles, will be based on mutual interests of both parties as well as on their non-interference into each other's internal affairs.

One should note that all believers in the Islamic revolution follow these principles without exception.

In the 17 years since the culmination of the Islamic Revolution in Iran, the U.S.-Zionist collaboration has been engaged in a global disinformation campaign against the Islamic Republic. A long list could be made of U.S.-Zionist allegations against the Islamic Republic, none of which have ever been supported by evidence.

Now, gradually, the world, particularly Europe, has realised the truth and no longer pays any attention to

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the rhetoric of the USA and its illegitimate Zionist offspring. A vivid proof emerged in the recently held G-7 Summit in France where President Bill Clinton faced a humiliating defeat on the Iranian issue when Europeans refused to bow before the illogical U.S. moves against Tehran.

And Egypt, President Mubarak should note that the people of Iran and Egypt have cultural and economic relations which are improving rapidly. A section of the press in Egypt, voiced their satisfaction over these developments and hoped that these ties will improve in the years to come. This is what Foreign Minister 'Ali Akbar Velayati, in his interview with IRAN NEWS, commented last week.

We will ask Egypt or any other neighbouring country to forward any evidence proving involvement of Iran in subversive activities in their country.

We are sure they do not have any evidence. And we advise President Mubarak to put his own house in order instead of blaming others through absurd and contradictory statements.

Iran: Saudi Official on Bilateral Communications Cooperation

LD1107205596 Tehran IRNA in English 1827 GMT 11 Jul 96

[FBIS Transcribed Text] Tehran, July 11, IRNA — Deputy Saudi Arabian minister of communications, 'Abd-al-Rahman 'Abdallah al-Fahyah, here today announced his country's willingness to cooperate with Islamic and regional countries particularly with the Islamic Republic of Iran in the field of post, telegraph and telephone.

In his talks with IRNA following a visit to the telecommunication complex of the Islamic revolution (L.C.T.), al-Fahyah praised Iran's achievements in the field of post and telecommunications and expressed hope that the L.C.T. would provide necessary facilities for Iranian hajj pilgrims to maintain contacts with their families back home during the pilgrimage.

Al-Fahyah, who is here to take part in the third telecommunication conference of the Organization of the Islamic Conference (OIC), appreciated Iranian efforts in arranging the current conference with success.

Iran: Bangladesh Communications Minister Meets Rafsanjani

LD1107111696 Tehran IRIB Television First Program Network in Persian 0930 GMT 11 Jul 96

[FBIS Translated Text] In a meeting today with President Hashemi-Rafsanjani, Mr. Mohammad Nasim, the Bangladeshi communications minister, said: The new government of Bangladesh will honor all its past agreements and understandings with Iran. Bangladesh, moreover, seeks the further expansion of its traditionally friendly ties with the Islamic Republic of Iran.

The Bangladeshi communications minister referred to Iran's achievements in the field of communications, especially in the long-distance telecommunications technology, and said his country wants to benefit from the valuable experiences of Iran.

Mr. Hashemi-Rafsanjani, in turn, welcomed the bolstering of cultural, economic, and political cooperation with the great Islamic country of Bangladesh. He said: The Iranian nation and government watched the recent disputes and clashes in the Muslim country of Bangladesh with a sense of sorrow and regret. We hope that under the shadow of friendship and understanding, Bangladesh may continue to enjoy lasting peace and stability.

Iran: Paper Deplores Lack of Action Against Bosnian Serbs

LD1007172196 Tehran TEHRAN TIMES in English 8 Jul 96 p 2

[Unattributed commentary: "Brave Words, Bold Declarations, Direct Threats —No Action]

"Do not be afraid," said General Mladic, "nobody will harm you. Our army does not want combat against civilians."

Then Muslim civilians were taken behind factory buildings in Srebrenica (in July 1995) and killed with knives. After the initial killing, they were killed in groups of ten, with knives.

According to the Dayton peace accords, General Mladic and Radovan Karadzic are to be handed over to the war crimes tribunal in The Hague. But Mr. Karadzic wore a tuxedo and bow tie, resigned his presidency, and was re-elected as leader of the Bosnian Serb ruling party, the Serb Democratic Party.

Mr. Karadzic handed over his power to the vice president, Biljana Plavsic. Ms Plavsic has said: "By our law it is forbidden for a person on the territory of Republika Srpska to be handed over to a foreign court. If you deviate from the law, you have chaos. We don't want that."

You see, the Serbs have become famous for law and order. Ms Plavsic will not do anything against the law. The fact that the Dayton agreement has demanded that Karadzic and Mladic be handed over to the International Court in The Hague — that is not "law." The fact that the Serbs first raped a woman, then discussed how to kill

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her, then decided the best method is to slit her throat, that is law and order; we don't want to disrupt that. The fact that 28 Serbs raped a 28 year-old Muslim woman 28 times in a stadium — that, too, is Serbian order. We don't want to change that. The fact that a Muslim civilian was forced to stab a baby Muslim boy and eat part of his internal organ is also part of Serbian law and order. We don't want to disrupt that.

In this century, we have repeatedly heard, "We shall never let it happen again." Meaning the slaughter of man by man. We have clearly let it happen again and again, in the twentieth century, before our very eyes.

Is there such a thing as "international law"? Do international agreements have any value? Why has the world acted so helplessly against Bosnian massacres? How do we arrest a criminal within each country? A functional system should be applied to arrest an international criminal.

According to a REUTERS report this week, there have been "brave words, bold declarations, dire threats — no action."

Iran: Rafsanjani—Iran's Capabilities Serve as Model for Muslims

LD1107122196 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0930 GMT 11 Jul 96

[FBIS Translated Excerpt] Speaking at the inaugural ceremony of a telecommunications center in Tehran on 11 July, President Akbar Hashemi-Rafsanjani, said: [passage omitted]

President Hashemi-Rafsanjani also stressed: Today the biggest problem facing the world of Islam is its dependency [on foreign powers] which has led Muslims into disgrace and forced them to give into the usurper Israel and has increased the aggressive nature of America and Israel. Mr. Hashemi-Rafsanjani referred to the recent remarks made by [Israeli Prime Minister] Netanyahu at the U.S. Congress, and said: The root of the world of Islam's problems today is in the lack of independent spirit and Muslims' weakness in scientific know-how and expertise at using their own rich resources.

Mr. Hashemi-Rafsanjani praised the brave struggle of the people of Palestine and southern Lebanon against the Israeli usurper, and stressed: The resistance of the committed and revolutionary forces today has kept the issue of Palestine alive and that is only possible through belief in the rich Islamic culture.

The president stressed: The powerful Islamic countries, with all their resources and human, scientific, and cultural assets should be inspired by the correct path chosen by the Islamic Republic of Iran, strengthen their supreme Islamic ideology and tread in the path of construction and progress in order to end their dependency.

The president added: If the world of Islam is witnessing that various kinds of U.S. sanctions and threats have no effect on the Islamic system [of Iran] and the path of its revolution today, it is because of Iran's technical, scientific, economic, and defense capability which can also become a model for other Muslim nations.

Iran: Envoy Interviewed on Terrorism, U.S. Sanctions

LD1107135296 Tehran RESALAT in Persian 6 Jul 96 p 6

[Interview with Sirus Naseri, Iranian envoy to Geneva, by unidentified correspondent; place and date not given: "Iran Is in Favor of the Internationalization of the Opposition to Terrorism"]

[FBIS Translated Excerpt] The foreign political section: America's arrogant propaganda against the Islamic Republic of Iran has created an adverse atmosphere on the international scene, so that even Washington's allies are gradually getting suspicious. A nation that is the main victim of terrorism is made out to be a terrorist, but, behind the scenes, arrogance pursues its main objectives. The truth, which is detrimental to the real terrorists, should be told to the world.

Here follows an interview with Mr. Sirus Naseri, our country's representative in Geneva. Terrorism, America's sanctions against Iran and Europe's position in that regard, [Security Council] Resolution 598, others' viewpoint of Iran, and a number of other topical issues are discussed in the interview.

[Q] It is felt that the disputes between Europe and America have reached a critical point in recent years. Please explain the disputes.

[A] In the past the events in World War II allied Europe and America and resulted in parts of Europe having common aims with America at that particular juncture. [passage omitted]

Now that alliance has come under question. Therefore, their leaders are trying to make Western-style democracy a new criterion for their alliance. Of course, it is not something that could bring about a deep and lasting alliance between the two. The disputes between Europe and America, which have become very apparent, are political, military, and economic. Of course some people are trying to hide those disputes from others, while one cannot hide the truth.

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[Q] In the case of America's economic blockade of Iran, Europe adopted a position of opposition.

[A] Yes, as you know, in this case too Europe clearly declared its opposition to America's action. Because America's unilateral decision to impose sanctions on Iran, without considering the interests of European countries, is not tolerable to those countries from an economic standpoint. Europe declared that it would take legal action against America and threatened to pursue the matter through international organizations, particularly the World Trade Organization.

[Q] Why has Europe not taken any practical steps so far?

[A] Because the U.S. Congress ratification is just a piece of paper, but if America decides to implement it Europe will immediately take measures against it.

[Q] Every now and then, the West and especially the United States make accusations against the Islamic Republic of Iran regarding various issues. Could you explain the occasions when these accusations were made and the U.S. motives behind them?

[A] The main accusation against us by the United States, which is sometimes backed by Europe, involves two issues: The Americans accuse us of activities involving nuclear and chemical weapons. Of course this accusation does not have any logical and legal bases or foundations. The Americans themselves acknowledge the fact that they level these accusations merely on their own perception. The Americans have been successful in their false propaganda campaign in this respect, but when it comes to putting forward documents and evidence they have nothing to add. The United States does not have the courage to raise its accusations against Iran regarding Iran's nuclear activities in the international disarmament conference because it knows it does not have any document to support its claims. It, therefore, tries hard to avoid the issue and does not bring up it in international gatherings because its credibility will be questioned.

The other accusation made against Iran is terrorism. The label of terrorism against Iran came to a head after the Madrid Conference and following the Middle East compromise process. In view of the fact that Iran had taken a clear stance over this issue, the United States raised such accusations in order to confront revolutionary Iran. Unfortunately, Europeans voiced their agreement with the United States to some extent.

[Q] We are sometimes witnessing assassinations carried out outside the country. Western propaganda circles and media in a coordinated manner attribute them to the Islamic Republic of Iran. Please describe the main reasons for these kind of assassinations?

[A] The fact that these assassinations are attributed to Iran is part of those accusations that I have mentioned. Killing is a serious matter. The way to prove it is through legal channels and discussions in a proper court in order to reach a conclusion. The fact that a killing is being attributed to a country that itself has been a victim of terrorism is wrong and needs to be taken up.

Concerning the roots of these killings, you know very well that Iran has many opponents abroad. There are many internal differences between these opposition groups. It is obvious that as a result of conflicts of interests between opposition groups, whenever any kind of propaganda is raised against Iran, it will be in the interests of one of the groups [as published]. Therefore, the motive for killing is rooted in the internal differences among the opponents of the Islamic Republic of Iran, but Western circles with their false propaganda attribute them to the government of Iran.

[Q] Europe has been turned into a safe nest for anti-revolution elements, especially monafegins [hypocrites; reference to Mojahedin-e Khalq Organization]. What action has the Islamic Republic of Iran taken to enlighten world public opinion about the terrorist nature of these groups and to prevent their terrorist activities?

[A] We have begun a series of serious discussions. The Islamic Republic of Iran has prepared a statement on terrorism and ways for its confrontation. It has been approved by the majority in the United Nations. On the basis of the statement, the world countries are not allowed to render any assistance or support to terrorist groups. And above all, on the basis of contents of the statement, countries are not allowed to remain silent towards the activities of these terrorist groups in their countries. This is a sign of Iran's seriousness in confronting terrorism. Therefore, we want the world countries to be committed to the contents of the statement and display their heartfelt intention to confront terrorism.

[Q] In recent years we have witnessed popular protests in countries in the region against the United States. Recently there were attacks against the U.S. interests in Saudi Arabia. Please tell us about this.

[A] When a foreign force comes from the other side of the continent and deploys forces and equipment in a region over which it has no right but to have interests in that region, it is natural that this presence will be viewed as provocative. Of course we are against any kind of terrorist activities in any forms and in anywhere in the world and have repeatedly stated this. But, there

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are a series of facts. If a country feels that it is in its interests to allow the presence of a foreign military force in its territory, then it must accept the consequences of this presence.

[Q] What has happened to Resolution 598?

[A] The main clauses of the resolution have implemented. The serious subject is the subject of POW's against which Iraq shows illogical resistance. We believe that the subject of POW's is a humanitarian one and must be resolve separately from political issues. Iraq has taken an illogical stance and creates obstacle on the path of progress of talks.

[Q] What is the reason behind Iraq's intransigence?

[A] The reasons are not clear to us either. We think that Iraq set other priorities for itself. The most important one is its efforts to end its international isolation and come out from the current acute situation. It is trying to change its current position and wants to use this issue [POW] in its dealing with Iran.

[Q] Some people think that Iran's role and activities in Bosnia has been lessened following the Dayton peace accord. What is your opinion on this?

[A] In all talks that were conducted whether openly or in private, this point has been raised that it was Iran which saved Bosnia from a certain fall. That was a special role played by us in Bosnia and cannot be ignored. What has been agreed within the framework of the Dayton peace accord is temporary [as published]. It is clear to everyone that Iran had a determining role in Bosnia and is a country to which the Bosnian authorities listen. The foreign forces which are stationed in Bosnia want to leave the country very soon and Bosnia will be an independent state. Our ties with Bosnia are deep and unchangeable and the role of Iran in Bosnia is a determining role.

[Q] In view of the fact that you are present in the international arena, what is the view of the world countries regarding Iran's position and policies?

[A] The Islamic Republic of Iran has achieved an outstanding position in the international arena, especially in the past six to seven years. This has been the result of constructive efforts by and the strengthening of our country's diplomatic apparatus. Iran today is a country that has a lot to say regarding world issues and its words are calculated. There are countries, especially among the non-aligned, Islamic and Asian countries, which follow Iran's path. This is not only what we claim. In many cases where international negotiations reach a deadlock over a subject, international circles turn to us and want us to do something about it, because they say if Iran agrees to an issue, it will be possible to secure the agreement of other countries.

Iran: President Rafsanjani Briefed on Economic Situation

LD0907194996 Tehran IRIB Television First Program Network in Persian 1630 GMT 9 Jul 96

[FBIS Translated Excerpt] To reduce inflation and help low-income classes, the president has called for the cash in circulation in the country to be steered towards increasing production and developing the industries to replace the oil industry.

Speaking in a meeting with the head and officials of the Plan and Budget Organization, Mr. Hashemi-Rafsanjani also said: To reduce the reliance of the country's economy on the foreign exchange earned from the sale of crude oil, it is necessary for the Plan and Budget Organization to support the expansion and the increase in the production of the petrochemical industry. [passage omitted]

Before the president's speech, Mr. Mirzadeh, head of the Plan and Budget Organization, gave a report on the performance of the organization and the country's economic situation.

He said: In 1374 [year ending 19 March 1996], the GDP and the added value of the industrial sector rose by 5.4 percent and 6.5 percent, respectively, compared to 1373 [year ending 20 March 1995]. He added: In 1375 [year ending 20 March 97], more than $7 billion has been allocated to manufacturing projects and more than $3.3 billion to development projects and the expansion of the country's infrastructure. [passage omitted]

At the end of the meeting, the president expressed satisfaction with the performance of the Plan and Budget Organization and thanked the personnel of the organization for their efforts.

There are no pictures of the meeting.

Iran: Nateq-Nuri—Social Security Key to Elimination of Poverty

LD1007190296 Tehran IRNA in English 1847 GMT 10 Jul 96

[FBIS Transcribed Text] Tehran, July 10, IRNA — Majlis speaker, Hojjat ol-Eslam 'Ali Akbar Nateq-Nuri stressed on Wednesday [10 July] that social security is one of the most important means by which to eliminate poverty and materialize social justice in society.

He added that creating jobs for people is also one of the most important factors contributing to the campaign against poverty.

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The speaker made the statement on the occasion of social security week.

Hoj. Nateq-Nuri said that as long as poverty lingers in an Islamic country and social justice does not find reality in its real sense, the country will not achieve its goals.

"Poverty must be eliminated through proper ground work and investment," he stressed.

He praised the reconstruction efforts of the government of the President Akbar Hashemi-Rafsanjani and the "noticeable steps taken towards social justice."

Nateq-Nuri added that the social security organization has been "very successful" in rendering services to the deprived people.

He pointed out that justice without development and development minus justice are meaningless, and that development should serve as a prelude to attainment of so cial justice.

The parliamentary speaker stressed that Islam's ultimate goal is for humanbeings to live in honour and dignity with both material and spiritual elevation.

"We will be successful in our society when people live in dignity and this is the meaning of social justice," he added.

Hojjat ol-Eslam Nateq-Nuri said that Islamic Iran today enjoys the dignity on the political scene and among international bodies.

"Our honour is that we are not under the domination of any power and that we ourselves determine our foreign policy," he noted.

The speaker also took note of the wide class gap in the so-called developed nations like the U.S., and said that in today's developed world, 80 percent of resources are in the hands of a mere 20 percent people.

Iran: KHORASAN Notes Discrepancies in Economic Policy

NC1007144196 Mashhad KHORASAN in Persian 29 Jun 96 pp 1, 11

[Economic Commentary: "Nonconformity of Our Performance With the Objectives of a Non-Oil Economy"]

[FBIS Translated Text] One of the most important and key economic guidelines put forward by the great leader of the Islamic Revolution, which has been incorporated in the officials' agenda, is to extricate the economy from relying on income from oil.

The dependence of the country's economy at the outset of the victory of the Islamic Revolution in 1357 [year beginning 21 March 1978] on oil income was 98 percent. In its aftermath and especially in recent years, it has been reduced considerably. Naturally the continuation of this trend will reduce the fragility and vulnerability of the economy.

For swift and effective release from this dependence, the best recommendation that can be imagined is to boost non-oil exports and to pump the accruing foreign exchange earnings from this economic activity into the main corpus of domestic production.

In this manner, in addition to the fact that more oil will be saved for subsequent generations, society would have to make a greater effort and boost production. Thus, such a nation would not need to extend its hand toward foreigners.

The experience of the past few years indicates a kind of movement toward extremes with regard to non-oil exports.

In the first few years of the First [Five Year] Plan, exports were flourishing to the extent that the level of foreign exchange earned during the five years of the plan quintupled and reached an unprecedented level of $4.5 billion. However, at the same time it was announced that not even part of the foreign exchange earnings was to be channeled into production and that it was to be deposited outside the country. Ultimately it never assisted the national economy in moving ahead.

In the beginning of the 1374 [year beginning 21 March 1995], a concise policy of signing a foreign exchange pledge was implemented according to which all exporters were obligated to pledge 100 percent of their foreign exchange earnings. After a while, this was amended so that exporters of carpets could allocate 30 percent of their foreign exchange earnings for imports.

This policy and some problems at that time regarding the return of capital, and assigning the value of products and so on, resulted in a decline in non-oil exports to $3 billion. Hence we wish to state that we should discard our policy of going to extremes and seek other avenues.

In order to attain our objective of boosting non-oil exports and to wean our economy from dependence on a single commodity, we should revamp our modus operandi.

It is not possible to seek foreign exchange earnings from non-oil exports without resolving the legitimate problems of the exporters. As our great leader stated, we should not be making lofty statements of "capping our oil wells" while at the same time placing an abundance of bureaucratic problems in the path of our exporters so that they regret performing such vital tasks and their enthusiasm wanes to nought!

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Why was the directive of calculating their income in rials not made more profitable for the exporters, regardless of whether it accrued through brokerage or domestic trade?

Fortunately, the guarantees for exports that were recently submitted to the Islamic Majles will be ratified but the policies should be formulated in such a manner that we always keep our objective in mind and every day should be a step in that direction.

In fact it would be beneficial if certain commodities that are not essential and are plentiful due to surplus production were to be placed on the free list. These could include plastic products and similar goods that would not cause any hardship with regard to domestic consumption. In fact this should be encouraged.

The problems of carpet exports can also be resolved with some expedient measures. The fact is that every step backward with regard to exports deals an appalling blow to employment, production, and investment.

This would reduce our footprints in other countries, generate unemployment, and discourage individuals from embarking on production. This in turn would channel capital toward domestic sales and purchases of goods that are not easily available, which would spark an overall clamor about why inflation is not being reduced.

Iran: Third Phase of Military Combat Readiness Exercise Held

LD1007143296 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0930 GMT 10 Jul 96

[FBIS Translated Text] The third phase of a special combat readiness camp codenamed Solidarity with the Leadership [misaq ba rahbari] in Central and Qom Provinces began in the Neynava region of Arak.

Today, the participating forces carried out the operational stage including the organization of forces and their military equipment, and then the camp ended its work. Please listen to a report by our correspondent from the Arak Center of Iranian radio and TV:

[Unidentified correspondent] During this stage of the combat readiness camp, the participating forces comprising infantry, artillery, mechanized, engineering, defense, air force, and air defense units belonging to the 'Ali Ibn-Abi-Talib Army were engaged in military formations, tactical and organizational operations, and the transport of their military equipment.

More than 30,000 forces belonging to the Basij, Revolutionary Guards, Basij frontiersmen, and the clergy members of the independent divisions and brigades affiliated to the 'Ali Ibn-Abi-Talib Army took part in the third Solidarity with the Leadership camp from the Central and Qom provinces.

In an interview with the Central News Unit correspondent, Major General Mohsen Reza'i, the Islamic Revolution Guard Corps commander, said the holding of such camps is aimed at the efficient mobilization of forces, the strengthening of defense and combat morale, increasing the deployment speed of the forces, and the use of their equipment — including military, telecommunications, and defense equipment — boosting the Basij morale and ideology, combat readiness training, and the assessment of their military capabilities.

Nepal & Bhutan

Nepal: Finance Minister Outlines New Government Budget

BK1207110296 Kathmandu THE KATHMANDU POST in English 12 Jul 96

[Report by Prateek Pradhan — received via Internet]

[FBIS Transcribed Text] Kathmandu, July 10 - The coalition government today proposed on annual budget of Rs [rupees] 57.56 billion for fiscal year 1996/97 to the joint session of both Houses of Parliament.

Delivering the budget speech to the tenth session, Finance Minister Dr Ram Sharan Mahat proposed a budget which is 11.4 percent higher than the proposed expenditure of current fiscal year and 23.3 percent higher than the revised estimate.

Of the total expenditure, Rs 24.984 billion has been earmarked for regular expenditure and Rs 32.580 billion for development expenditure. As compared to the current year's estimate, this amount is 13 percent higher than the regular expenditure estimate and 32.6 percent higher than the development expenditure estimate.

The budget is more or less only the continuation of the first budget presented by the coalition government, a year ago. Dr Mahat also admitted this in his budget speech. He said: "The objectives of the budget set forth last year is equally relevant in the present context. Therefore, I have taken the experiences gained in course of achieving those objectives during the year."

The current budget's five major objectives are: to achieve high economic growth rate while continuing the economic reform programs, to increase skill development and employment opportunities to solve the unemployment problem, to launch concrete programme for poverty alleviation by directing economic gains to the

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low income people and areas; to launch decentralization programme and rural empowerment for strengthening the rural economy and; to maintain fiscal balance and financial discipline.

Here are some of the salient features of the budget:

Self Employment Programme

In the coming fiscal year, 66,000 unemployed people will benefit from self employment generating activities, which will be promoted through reactivating the governmental, nongovernmental and financial institutions.

Finance Minister Mahat has given special emphasis on self-employment generating activities, for which a high level Central Coordination Committee and the District Coordination Committee will be constituted. The committee will formulate, implement, monitor and evaluate the employment-oriented policy and program, and establish inter-agency coordination.

The budget has announced to exempt income tax to vocational institutes and the technical skill-oriented training centres. In line with the policy of developing technical manpower, necessary budget has been allocated to medical institute, engineering institute and Center for Technical Education and Vocational Training.

Dearness Allowance

The budget has proposed to provide additional dearness allowance as a relief measure to the public servants with effect from coming fiscal year. A 7.2 percent of the basic salary will be provided as dearness allowance to lowest level public servants, whereas it will be 4.4 percent of the basic salary for upper level public servants.

Emphasis on Agriculture

The budget has appropriated Rs 2574.6 million for the development of agriculture sector. The budget has also proposed Rs 600 million as the price and transportation subsidies for the supply of fertilizer.

The budget speech mentions, under Small Farmers Development Programme, the number of small farmer groups to be formed will reach 1540, and 11,000 small farmer families will be benefitted. Arrangements have also been made to provide mobile fund in 10 districts to support income earning activities of women farmers.

The budget has allocated Rs 3181.265 million for the irrigation projects, which will help in irrigating additional 9200 hectares of land. Projects such as Sunsari, Morang, Bagmati, Eastern Rapti and Mahakali will be given priority for early completion. Necessary budget has also been allocated for the construction of the main canal of Babai Irrigation Project.

Education Sector

The government has allocated additional budget for providing medical expenses to teachers in accordance with the amendment in the Education Regulation. In education sector, a sum of Rs 7,759.297 million has been appropriated of which Rs 2680.3 million has been allocated in development budget. For primary, lower secondary and secondary education, an amount of Rs 483.8 million has been allocated. For increasing girls enrollment, Rs 12.5 million has been allocated for primary school girl scholarship programme.

To encourage students of oppressed castes to go to school, Rs 200 million is allocated for scholarship programmed.

Communication

On the communication front, the budget has announced private sector's involvement in services like radio paging and mobile telephones. The budget allocation for communication sector is Rs 854.559 million.

Budget has also allocated 'necessary' amounts to establish area post office and additional post office, in line with the concept of "one person post office".

Hydro Power

Realizing the internal demand and export potentiality of electricity, Dr Mahat said: "I have allocated Rs 5,833.572 million for the hydro electricity sector." Mahat has allocated Rs 1,665.6 million for the implementation of Kaligandaki. The budget has also given importance to Trishuli-Devighat hydropower project, Hetauda Diesel Plant and Duhabi Multifuel Plant. Amounts have been allocated for the on-going projects like Ilam Puwakhola, Kalikot, Dopla, Achham, Tatopani etc.

In rural electrification programme, Seventh Power Project, Sidhuwa-Khandbari Transmission Line, Dhading Electrification Project, Dumre-Beshshar Project and Kailali Kanchanpur Electrification Project will be implemented.

Land Reform Programme

The Finance Minister announced that the Landless Problem Solving Programmes will be implemented for the settlement of landless squatters. Integrated geo-information system development programme will be continued. A sum of Rs 331.78 million has been earmarked in the budget for the land reform programme.

Women Development

Women Development Program conducted for multi dimensional development of women will be extended to

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67 districts in the next fiscal year. Under this program an arrangement has been made for the flow of Rs 160 million credit through participating financial institutions for the promotion of income generating activities of women. Dr Mahat has also appropriated Rs 30 million for providing scholarship and implementing income-generating activities for the upliftment of backward and oppressed people.

Money for MPs

As against current year's provision of Rs 400,000 each for the members of House of Representatives, and Rs 250,000 for the Upper House member, each parliamentarians, regardless of the House, will get Rs 400,000 to invest in locally selected projects in their respective constituencies.

Visit Nepal Year 1998

The government has shown its commitment towards Visit Nepal Year by vowing to support the programme, and by announcing programmes for the development of tourism. Rs 319.82 million has been allocated in the budget for tourism sector.

Major Projects

The budget has allocated additional budget for Kali Gandaki 'A' Hydropower Project (budget earmarked is Rs 1,665.6 million), Melamchi Water Supply Project, Banepa-Sindhuli-Bardibas Road, Water Supply 4th phase, Rural Water Supply Project, Second Irrigation Sector Project, Seventh Power Project and Kulekhani Conservation Project.

Civil Aviation

Civil Aviation will get several programmes as an effort to provide transportation services to the people of far remote areas and to expand tourism industry. Budget allocation is made for additional aviation equipment, construction and maintenance of airports, and construction of helipads in remote and tourist interest places. Rs 764.341 million is earmarked for the civil aviation sector.

Transportation

Dr Mahat announced that National Transportation Policy would be formulated in the coming fiscal year for the planned development of transportation sector. The Finance Minister also added that necessary allocations have been made for the construction of 22 bridges along the Kohalpur-Mahakali section of the Mahendra Highway and for the construction of the first phase of the high priority accorded Banepa-Sindhuli-Bardibas road.

Health Service

Following the aim of eradicating polio from the country by 2000 AD through extensive immunization program against polio, 3.3 million children below 5 years of age will receive oral polio drop service during the next fiscal year. Additional 600 health sub-posts will be established under the program for providing basic health service.

Tax Structure

On the tax front, the government has announced to start registration for Value Added Tax from the third week of April next year. It has also decided to restructure the existing Sales Tax and Excise Department in the form of Department of Value Added Tax.

The government has also brought many changes in the tax structure and customs duty.

Respect to National Talents

A total of Rs 16 million has been earmarked for the coming Fiscal Year to the National Outstanding Person Memorial Fund that has been set up in the running fiscal year to respect national talents. In order to honour national talents, arrangements have been made to provide amount through the Narayan Gopal Music Fund for the erection of the statue of Late Narayan Gopal.

As mark of respect for Ang Rita Sherpa's skill and courage in mountaineering, government has decided to provide life long allowance of Rs 5,000 to this ten-times Everest conquerer.

Pakistan

Pakistan: Asif—Response to India's Talks Offer in '10 Days'

BK1107145696 Islamabad THE NEWS in English 11 Jul 96 p 1

[FBIS Transcribed Text] Islamabad — Foreign Minister Sardar Asif Ahmad Ali said Pakistan would respond to India's offer for resumption of talks within next ten days after necessary domestic consultations.

Talking to newsmen here Wednesday [10 July], he said however, the talks are to resume subject to one requirement, "the core issue of Jammu and Kashmir must be on the agenda."

He said this point of view seemed to be accepted by Indian leadership because the letter received from Indian Prime Minister, Deve Gowda, said, "we are prepared to talk on all issues, including those on which we don't see eye to eye."

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The foreign minister said Pakistan has always welcomed the talks with India, adding these are expected to be held at the secretary level.

Replying to a question, he said we would like that dialogue should start as soon as possible and then continue till solution of the problems.

Asked as to why Pakistan had not yet responded to India's offer for resumption of dialogue, Asif pointed out that it was in fact Pakistan, which had offered resumption of talks adding India only responded to that offer.

The response from the Pakistani side delayed mainly because the government remained busy in preparation and presentation of the budget, he added.

When his attention was drawn towards the Indian plans to hold elections to occupied Kashmir Legislative Assembly, he said India should not vitiate the atmosphere at this juncture, adding Pakistan on its part was also exercising restraint so as to avoid complications.

Asif recalled that after the last round of Pak-India foreign secretary level talks, the latter had submitted eight non-papers to Pakistan adding that almost all the non-papers were irrelevant.

When his attention was drawn towards the reports that United States was considering a Camp-David type agreement for solution of the Kashmir Issue, he said, 'there is nothing of the sort.' "We had already offered US that Pakistan will have no objection if the US mediates between Islamabad and New Delhi on Kashmir issue," Asif added.

Earlier, addressing as chief guest at the certificate award ceremony of International Commercial Banking Course for Central Asian states, conducted by State Bank of Pakistan, Sardar Asif said the government was trying to provide every assistance to the Central Asian states, which are vital for the development, and growth of an open market economy.

Pakistan: ASEAN Urged To Pressure India on Nuclear Issue

BK1007061996 Peshawar THE FRONTIER POST in English 8 Jul 96 p 6

[Article by Ghulam Abbas]

[FBIS Transcribed Text] Latest media reports reveal that the Association of South East Asian Nations (ASEAN) has expressed concern over China's latest nuclear test and reiterated the grouping's commitment to establish South-East Asia as a nuclear weapons free zone. ASEAN, in fact, wants Beijing to endorse its Nuclear-Free Zone Treaty, but China has reservations about its scope, which includes exclusive economic zone and continental shelves.

The Deputy permanent secretary for foreign affairs of the grouping, Mr. Saroj Chavanavirag, speaking on behalf of the grouping at the second ASEAN-China consultative meeting, said that nuclear non-proliferation was of utmost importance to member states. Saroj also reminded Beijing that all seven ASEAN states and its three prospective members, Burma, Cambodia and Laos, had signed the "South-East Asia Nuclear Weapon Free Zone Treaty" in Bangkok, in December 1995. The "treaty" bans nuclear testing and the production and processing of nuclear weapons.

China's Deputy Foreign Minister Tang Jiaxuan on the other hand, argued that the testing program was designed to prepare China for a threat "that has not rescinded". Tang, however, clarified that China lent importance to the CTBT [Comprehensive Test Ban Treaty] being negotiated in Geneva and due to be concluded late this year.

ASEAN, no doubt, has been playing an active role in the international arena in terms of containing nuclear proliferation in the region. However, there is mysterious silence over the massive developments in the field of nuclear weapons and long-range ballistic missiles in India which can pose serious threat to their security in the days to come.

In fact, the enormous strides made by India in the field of nuclear development makes China's point of view easily appreciable. It is a well established fact that India has produced enough plutonium to make a significant number of nuclear bombs. Having built a wide network of research and development establishments for space studies, India is now craving for mastery over the cryogenic technology which would enable it to rub shoulders with missile powers like the USA, Russia, Western Europe and Japan.

The Indian attempts at perfecting its missile armory under the cover of developing satellite launchers should not go unnoticed by the ASEAN. It is a matter over which there was concerted response of alarm amongst the industrialized countries of the world. Their concern about India's space exploitation program and its "transparently latent" nuclear connotation was officially registered with the Indian government. Separate but identical demarches had been given by the US, Britain, France, Germany, Japan, Canada, Italy and Australia to the government of India, urging it to stop production of fissile materials to place all its nuclear facilities under full-scope safeguards, stop its fast breeder reactor project, stop development of Agni and halt deployment of the Prithvi battlefield support missile.

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On the successful PSLV [Polar Satellite Launch Vehicle] launch on October 15, 1994, which enabled India to place a near one tonne weight remote sensing satellite in a 825 km high pole-to-pole orbit, there was far greater jubilation in the Indian press about the performance of the booster rocket and there were unmistakable attempts to flaunt its great military potential than the peaceful use of satellite circling the globe in an orbit with a more beneficial scientific yield. The prestigious TIMES OF INDIA boasted in its editorial: "If the SLV 3 [Satellite Launch Vehicle] with its nine tonne, one meter wide first stage has formed the basis of the Agni intermediate-range ballistic missile technology, the PSLV with its massive 125 tonne 2.8 meter wide first stage with propellant motor can be the basis of an intercontinental range missile."

Simultaneously, India is improving its "integrated guided missile development program" having repeatedly tested Prithvi, including its longer range version, India has, reached the stage of its delivery to the army and the air force. An expert wrote that the Prithvi missile is a modification of the indigenous space launch vehicle program. A space launch vehicle can be adopted with warheads and inertial guidance system. India has already tested Agni, having a range of 2500km, three time and is now working on Surya, an intercontinental ballistic missile (ICBM) having a range of 12,000km which would cover the entire Asia Pacific region. It is to be noted that Agni is primarily intended against China. To quote a high-level official of the Indian ministry of external affairs who said, "SAARC" is important to us. But we have got to break out of our regional straitjacket and assert ourselves beyond the region.

Indian military experts say that Indian armed forces would start relaying increasingly on guided weapons, in place of conventional weapons by the turn of the century. This development would certainly increase security hazards for the regional states and will add alarmingly to the already existing military imbalance in the area.

ASEAN states have been reluctant to take cognizance of the impending nuclear threat from India. It is perhaps in keeping with the demands of glaring publicity in its widely, publicized policy of working for global peace and cooperation and the covert maneuvers at exercising regional hegemonism to attain a big-power status, that India has been able to hide its fast growing mass destruction arsenal behind the fig leaf of pious propaganda.

India has been accepted as a full dialogue partner of the "ASEAN Regional Forum" (ARF). It was kept out from ASEAN because of its Cold War mindset in South-East Asia, which perceived it as a country shackled in the sub-continental conflicts, and an unacceptable strategic relationship (with the former Soviet Union). But now after accepting India as a full dialogue partner of ASEAN, it becomes incumbent upon the grouping to critically watch India's activities in the field of missile and nuclear development work on the nuclear submarine and, in particular, increasing cooperation with US navy. At the same time India should also draw up a purposeful agenda to engage constructively with the security issues of the Asia-Pacific region.

India should now get out of these shackles and play a constructive role in wider ASEAN affairs as quid pro quo for its economic dividends from the ASEAN countries. While pointing an accusing finger at China's growing military power, India has always tried to hoodwink the ASEAN about its own military preparedness and nuclear capabilities. The need of the hour, therefore, is that ASEAN members should use ARF as an effective instrument of "containment through cooperation", against India which of course is a potentially ambitious actor in the region and more prune to use of force than China.

It may be noted that ARF is a multidimensional security forum which deals with military threats, force structures and modern weapons apart from endeavoring to ensure "peace of the marketplace", where economic engagements provide cushions for security concerns. While participation in ARF has opened for India new opportunities for strengthening economic cooperation with the Asia-Pacific countries it must pay heed to the security concerns of the ASEAN countries by responding positively to their demand of signing the said treaty.

India is also exploiting US sensitivities against China by projecting the image of China as an emerging Asian superpower. At the same time it criticizes US for not giving due importance to India's security concerns in relation to China or with regard to the issues of nuclear and missile capabilities.

The ASEAN efforts to deter China from pursuing an aggressive course obviously suits India's interests the most. But there is also need that the ASEAN countries should check India from blindly treading the path of nuclear development which can spur other regional powers to follow suit. ASEAN could also play a vital role in putting pressure on India for softening its rigid stance on global nuclear proliferation regimes like NPT [nuclear Non- Proliferation] and CTBT. For this purpose ASEAN should make it conditional for India to shun its obstinacy on these issues and improve its much battered image on this count if it wants to gain

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economic advantages from the membership of ARF. India should be made to realize that apprehensions prevail in the region on account of its ever expanding nuclear program, and that it is the only participant in ARF which is not signatory to NPT or any, other nuclear restraint regime. Pressure must also be built up on India to sign South-East Asia Nuclear Weapons Free Zone Treaty at the earliest.

Pakistan: Leghari Speaks on CTBT, India, Afghanistan, Regional Issues

BK1107142896 Islamabad THE MUSLIM in English 4 Jul 96 pp 1, 11

[Report on speech by Pakistani President Leghari at the National Defense College in Islamabad on 3 July]

[FBIS Transcribed Text] Islamabad, July 3 (PPI): President Farooq Ahmad Khan Leghari Wednesday [3 July] linked Pakistan's signature and adherence of Comprehensive Test Ban Treaty (CTBT) with the joining of treaty by all the nuclear weapons and nuclear capable states.

"Pakistan's signature and adherence to the CTBT will depend on our confidence that all nuclear weapons and nuclear capable states join the treaty," he said while addressing the 20th convocation of the National Defense College.

The President said Pakistan would support international agreements for CTBT and a halt in the production of weapon usable fissile materials that were equitable and non-discriminatory.

"If it is a sincere desire of the world to ban all nuclear weapons then the CTBT should have no loop holes through which states with a proven nuclear capability could escape, he said.

In nuclear sphere, he said, the government had, through dialogue and discussions, managed to convince the United States that it was neither fair nor feasible to ask Pakistan to roll back its nuclear program and that it would not accent unilateral and one-sided restraints and obligations on its nuclear program.

He said Pakistan had asserted that it would not unilaterally sign and would only do so simultaneously with India.

Recalling passage of Brown Amendment permitting transfer of defense equipment purchased by Pakistan, he said it had set the stage for opening of new chapter in Pak-US relations and the broadening of the relationship that both sides desired.

"It will also form the basis of a re-defined relationship between a long-standing, moderate and democratic ally of the United States within the framework of the new geo-strategic realities of our world today," he said.

Under the Brown Amendment, the United States is to release Pakistan's military equipment worth 658 million dollars.

Under the same amendment, the US recently made an excess payment of 124 million dollars to Pakistan from the latter's Foreign Military Sales (FMS) account while another cheque of over 150 million dollars (excess payment) is likely to be handed over to Pakistan by US shortly.

President Leghari declared that Pakistan was prepared to continue bilateral dialogue with India on all outstanding issues including the Jammu and Kashmir dispute.

He said all proposals submitted by the two sides should be discussed.

"We must resolve, not to repeat the mistakes of the past or the folly of yet another war which will bring in its wake untold misery," Leghari said and added that eliminating the chances of such a conflict was the real challenge to which the countries of the region must measure up with boldness and vision.

Leghari said "confrontation and armed conflicts have never solved problems permanently." He observed that the ongoing political tensions with India were fraught with dangers of escalations. This unfortunate situation is out of tune with the contemporary trends towards detente and cooperation which are sweeping the globe today, he said.

The President said the Kashmiri people's revolt against occupying forces and brute use of force against them had added a dimension of urgency for the peaceful solution to this problem.

Indeed, the Kashrnir problem has bedeviled relations between India and Pakistan since independence," he said and pointed out that Kashmir continued to be a disputed territory and could not be dismissed as a settled issue.

The President said that the ill-advised holding of farcical elections, had further aggravated the tensions in the occupied state as the Indian government had deployed additional troops in an attempt to stifle the will of the people.

Expressing the concern over conflagration of tension in South Asia, Leghari said an intimidating display of power and hegemonic ambition has threatened our existence, compelling us to accord high priority to security, both in formulation of our foreign policy and in our economic resource allocation.

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"At a time when our population continues to be largely illiterate, poorly housed and unhealthy, our scarce resources are being consumed at an ever increasing rate by our defense requirements," he said adding that this contradiction was more thoroughly exposed, now than ever before.

He said the defense of a country was not detached phenomenon confined to the borders nor an isolated task to be performed exclusively by the armed forces. It has to be an integrated effort both by the people and the men in uniform, launched both at the borders and behind them.

"If we are to deter and repel aggression successfully, we must prevent national energies from being dissipated on non-productive pursuits and orchestrate all elements of our national power and talent to ensure national security and preserve our national interests", he said. In unity alone, shall we remain invincible and the need for national unity, has perhaps never been more pressing than at present," he said.

Talking on the Afghan issue President Leghari said Pakistan believes that a durable settlement of the problem will involve establishment of a broad based government in Afghanistan with simultaneous induction of a neutral security force, demilitarization of Kabul and collection of heavy weapons.

He said "we earnestly hope that an amicable solution is hammered out through negotiations and not through use of force."

He reiterated Pakistan's long standing position of non-interference in the internal affairs of Afghanistan and said "we certainly have no preference for any party in particular."

He brushed aside the impressions that Pakistan and Iran had any competing interest viz-a-viz Afghanistan saying that such a dangerous impression must be dispelled with utmost vigor. He said there was an agreement at the highest level in the two countries that Afghanistan should not be allowed to affect the excellent relations between Pakistan and Iran.

He said Pakistan was situated at the cross-roads of multiple economic zones and would therefore, like to act not only as the gateway for commerce with the Central Asian Republics but also become their partner in trade and development.

Recalling the facilities offered by Pakistan to Central Asian Republics at the Karachi seaport, he said the focus of Pakistan's policy was to develop mutually beneficial political, cultural, economic and commercial links with the republics which were artificially interrupted.

Referring to Pak-Russia relations, Leghari said it was in Pakistan's interest to develop ties with this important country and establish-relationship of trust and confidence.

The President said there were many in Russia, who were concerned that Russia's relations must not be seen through the prism of its ties with India.

Terming China's role in preserving peace and stability in South Asia as vital, he Said Pakistan's cooperation with China in defense and strategic fields had acquired even greater significance in the context of the virtual rupture of our defense relationship with the US.

"We look to China for our crucial needs to promote Pakistan's modernization, specially in view of the inequitable restriction we face elsewhere," he added. He said China had assured Pakistan that its relations with India would not be at the latter's expense and Sino-Pak-relations would not be affected by the changes taking place in the world.

He said that Pakistan being a leading country of the Muslim world had always played a front-line role in the matters relating to the ummah.

He said in Middle East, Pakistan had been a strong supporter of Arab cause, end of Israeli occupation of Arab territories including Jerusalem and separate homeland for Palestinians.

Throwing light on Pakistan's policy on Gulf region, he said "we believe that the security of the Gulf is the sole concern of the states of the region. He said Pakistan had been and remained willing to assist the Gulf countries on bilateral basis in augmenting their security requirements.

President Leghari expressed serious reservations about the taxation system of the country saying that it must be reviewed and changed.

A system that requires the political leadership to impose additional taxation simply to offset its own "drag" is not worthy of keeping, he said.

He said that the tax collection machinery also needed a total overhaul adding that the structure of taxes must be changed to achieve at least unitary elasticity. He maintained that despite heavy additional taxation almost annually over the last decade the tax to GDP ratio had remained more or less static at around 13 percent. We require expansion in the tax base plugging of loopholes, better tax administration, lowering of statutory rates, documentation of the economy and other steps to modernize the tax system," he stated.

He said despite heavy taxation we fail to achieve deficit targets because the tax efforts get swallowed by an

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inefficient, corrupt or leaking system." The President was also critical of the country's monetary policy saying that it was currently hostage to large budget deficits, inefficient and corrupt public sector banks and DFIs [Development Financial Institution] and vested interests determined to exploit the banking system to their advantage.

"If Pakistan is to achieve inflation control and balance of payments viability, we'll have to control government borrowings, reduce loan defaults, improve the administrative efficiency of banks and eliminate outside interference in the banking system", the President said.

Referring to the budget deficit, he said that had basically been out of control from many directions. He said expenditures regularly exceed budgetary allocations, revenues fall short of targets, saving schemes did not produce resources expected of them, corporations lack financial discipline and did not control their spending causing default in debt payments to government and the provinces lack the will to impose taxes but had an unlimited appetite to spend.

He said that the utilization of foreign aid was also slow adding that all these factors combine to cause excessive bank borrowing which in turn causes high inflation.

Leghari was of the view that cumulative effect of this situation year after year could be disastrous.

He, however, said that country's economy had much inherent strength, and resilience. "Our agriculture sector is doing well and its potential is greater still", he added.

He said that the vibrant economy guarantees strong defense adding that "We also seek self-reliance and indigenisation in our economy in general and defense production in particular. We have learned that no nation can expect to be truly sovereign if it is totally dependent on others for import of arms and technology", he said.

"I want to make it clear to the military strategists that we shall never be able to match our much bigger adversary in number and resources if we do not have a strong economy", he said that added that our salvation also lies in superiority to operational concepts, training, morale and most important an indomitable spirit".

Switching over to domestic situation, he said it was a matter of satisfaction that slowly but surely, democratic institutions were taking firm roots in the country adding that the press remained free and the judiciary independent.

Pakistan: Ali—Country To Respond to U.S. President's Letter on CTBT

BK1107164496 Islamabad PTV Television Network in English 1300 GMT 11 Jul 96

[FBIS Transcribed Text] Pakistan will shortly respond to President Clinton's letter to Prime Minister Benazir Bhutto on the Comprehensive Test Ban Treaty. This was stated by Foreign Minister Sardar Asif Ahmad Ali during a meeting in Islamabad today with the American Ambassador to India, Mr. Frank Wisner, currently on a visit to Pakistan. The U.S. Ambassador to Islamabad, Mr. Thomas Simons Jr., was also present in the meeting. During the meeting, the foreign minister gave a briefing on the whole range of Pakistan's relations with India with particular reference to Kashmir issue.

Sardar Asif Ahmad Ali later told PTV correspondent, Azhar Masud, that the two ambassadors had an opportunity to have a first hand knowledge of Pakistan's point of view on Pakistan-India relations and Pakistan's position on the Comprehensive Test Ban Treaty. They appreciated Pakistan's positive approach toward its relations with India as was evident in prime minister's letter to her Indian counterpart, Deve Gowda. Sardar Asif Ahmad Ali said we have assured the American ambassadors that Pakistan will not block finalization of Comprehensive Test Ban Treaty.

Pakistan: Minister Meets Polish Envoy, Discusses Defense Issues

BK1207083396 Islamabad Radio Pakistan Overseas Service in English 0800 GMT 12 Jul 96

[FBIS Transcribed Text] The government was seeking diversified sources of procurement of arms with possibilities of transfer of technology and quality control. This was stated by the defense minister, Mr. Aftab Shaban Mirani, in a meeting with Polish ambassador, Mr. (Lusian Mieskoviski) who called on him in Rawalpindi yesterday. Recounting recent visit of Polish minister for foreign economic relations, Mr. Mirani said that exchange of visits would further enhance cooperation in various fields, including defense.

Australian High Commissioner Mr. (Geoffrey Charles Allen) also called on the minister and exchanged views on bilateral relations. The minister informed him of the latest situation in the occupied Kashmir and expressed his concern on development of mobile missile system by India.

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Pakistan: Defense Minister Still Hopeful of Acquiring F-16's

BK1007011796 Islamabad THE NEWS in English 9 Jul 96 pp 1, 9

[Report by Shakil Shaikh]

[FBIS Transcribed Text] Islamabad — Federal Defense Minister Aftab Shaban Mirani has said that Pakistan has not closed the chapter of acquiring F-16 aircraft from Washington.

The defense minister, while briefing newsmen here Monday [8 July], said, "Efforts are still underway to chip out Pressler Amendment even after getting one-time waiver in the shape of Brown Amendment. Nobody knows whether one fine morning, the Americans agree to release 28 F-16s to Pakistan, as their hectic efforts to sell out these planes to a third party has not yet met any success."

They (US) will have to return $658 million, paid for the planes, besides $773 million for equipment including that of $368 million paid for the equipment, now being delivered to Pakistan .

Flanked by Secretary Defence Production Mazhar Rafi, Defense Minister Mirani, the soft-spoken closest aide to the prime minister in the federal cabinet, not only briefed the journalists on the Pakistan owned and paid-for equipment now being released by the US Administration but also braved loaded-questions showered on him by newsmen.

The minister said under the Brown Amendment, equipment worth US $368m has been cleared for transfer to Pakistan. Army has decided to acquire the whole range of released equipment, whereas Pakistan Navy and Air Force have decided that all equipment or spares pertaining to returned Brooke/Garcia Frigates and F-16s not being released should be diverted and their value be reimbursed. Hazardous chemicals and items, which have expired their prescribed shelf-life, should also be disposed of at source, he added.

The Minster, who looked already exhausted in almost a day-long high-level consultations at the Joint Staff Headquarters, said the whole $368 million worth equipment will be delivered by the end of August this year. "The first consignment of equipment, owned by Army will reach Philadelphia by July 15, and will reach Pakistan within next three to four weeks, which will be followed by remaining part of the package, details of which are being worked out."

He said the delivery of this equipment will hardly add to Pakistan's arsenal, with three P-3C Orion Maritime Patrol Aircraft to be delivered in a perfect form after being refurbished. "The military balance between Pakistan and India is already 1:3 and getting back our own equipment after so many years will not increase our Armed Force capability to a significant level," he said.

Mirani said some items had already been rejected after evaluation and inspection while the remaining items would be delivered to Pakistan from military depots in different parts of the US.

He said the surveillance aircraft P-3C Orion will continue to get logistic and spare support from the US under the commercial collaboration. Once the delivery of this equipment under FMF Programme, the largest program element of overall US Security Assistance Program, is completed, the program itself will come to an end. This will mark formal end of the Pak-US arms supply relations. "We are getting our things back plus the return of excess funds, which also included $124 million already turned to Pakistan for which we must be grateful to President Clinton and Prime Minister Benazir Bhutto," he said, while saying the tides were really turned, when Ms Bhutto visited the US in April 1995.

He said Pakistan can even sell maritime surveillance aircraft in the US on the same price, if Islamabad or Pakistan Navy decides not to induct these planes in its system.

He said Pakistan was already exploring different options and sources for supply of military hardwires, including the Chinese option. "No final decision has been taken on Su-27, neither Russia has refused to give the plane to Pakistan," he said .

For importing military technology, he said had already been working with Beijing on Super-7 project and that of Main Battle tank 2000(Al-Khalid).

Answering a question, he said the deal of T-80UD tanks with Ukraine will be finalized within next few weeks with logistic and spares support. He, however, avoided speaking at length on this matter.

Despite a vigorous persuasion by newsmen, the minister did not disclose the name of the person, who complained to him about what he said: "little enhanced price' of the 40 used Mirage III/Vs, which Pakistan has bought from Sagem of France. 'I do not know kickbacks paid in this deal and even I don't know the Iranian princess being named by deputy leader of the opposition."

He said the contract with the Sagem was irreversible and had to perform it. "The DG DP was removed only because he did not comply with my orders to stop payment, otherwise the deal even after scrutiny was found absolutely fine."

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He said the National Assembly's Public Account Committee can scrutinize such matters, when the accounts of defense purchases come before them. "The old Mirage deal was made on the basis of propriety i.dent, and it was to award to a particular party and not those interested parties, who were outside the ring," said the defense minister.

On the question of Mirage 2000-5 Mirani said everybody believed that 'it will be an expensive option,' but does anybody amongst you suggest an alternate.

To a question, he said next meeting of Pak-US Consultative Group will be held in September in Islamabad.

About the humiliation of Senate by the US staffers recently, Mirani neither offered any regret to the incident nor termed it a humiliation to the chief guest. "I was also searched or scanned," he added. The US Embassy had informed all the guests about "scanning" because of terrorist on American and their installations.

Sri Lanka

Sri Lanka: Military Launches Campaign 'Seda Pahara' in East

BK1207070396 Colombo DAILY NEWS in English 12 Jul 96

[Unattributed report — Received via Internet]

[FBIS Transcribed Text] Troops have commenced a new operation code-named 'Seda Pahara' in the area north of Valachchanai, Batticaloa to flush out the Liberation Tigers of Tamil Eelam and destroy their bases, defence sources said.

They said ground troops who began the offensive in the early hours of Wednesday [10 July] with naval and aerial support have already come across five LTTE bases and a LTTE [Liberation Tigers of Tamil Eelam] office complex in the Vakarai area. Troops recovered 60 mm mortar shells, fuse boxes and jonny mines from the camps.

Tiger casualties are estimated at eight dead and 20 seriously wounded, but the death toll could be higher, according to reports from the area.

"There was some resistance later in Wednesday afternoon, but the troops overcame it without trouble. Only two soldiers were wounded," the sources said.

They said some of the soldiers engaged in 'Seda Pahara' initially made a heli-landing and secured a beach head in Maduwankerni after which two battalions carried out a sea landing to begin the full-scale operation.

Meanwhile, airforce fighter jets pounded a perviously identified Sea Tiger base north of Mullaitivu early this week. At least eight Sea Tiger died and 13 were wounded.

Sri Lanka: Motion To Extend State of Emergency Presented in Parliament

BK1107120096 Colombo Sri Lanka Broadcasting Corporation International Service in English 1045 GMT 11 Jul 96

[FBIS Transcribed Text] The motion to extend the state of emergency by a further month was taken up for debate in parliament today. Deputy Defense Minister General Anuruddha Ratwatte presenting the resolution said that what the LTTE [Liberation Tigers of Tamil Eelam] required today was to remove the security forces from the North. This is because the LTTE lost the Jaffna peninsula in Operation Riviresa. The minister explained that the terrorists were [words indistinct] attacks in the Wanni, the North Central, and Eastern Provinces to get down the troops in Jaffna. We should clearly have an awareness that this situation has faced the challenge. General Ratwatte pointed out the government's objective was to create an environment for all communities to live in peace and he declared for this purpose it was determined to wipe out terrorism.

Sri Lanka: Human Rights Bill Passed Unanimously

BK1007070396 Colombo DAILY NEWS in English 10 Jul 96

[Received via Internet]

[FBIS Transcribed Text] The Human Rights Commission Bill was passed in Parliament on Tuesday [9 July] by a two thirds majority.

All 168 members present in the House voted for the bill.

The SLPF member Mr. Nihal Galappaththi was not present at the time of voting.

The bill which was earlier referred to Standing Committee B for examination, had been amended embodying the views of the opposition members who were in the standing committee.

Since clause 13 of the bill contravened clause 126 of the constitution relating to the time limit before which a human rights case had to be instituted in courts, the bill had to be passed by a two thirds majority.

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